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9 June 1983

LATIN AMERICA REPORT

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BRIEFS

RESIDUAL FUELS PRICE INCREASE--Caracas, 12 May (DPA)--Venezuela has increased by 25-68 cents per barrel the price of residual fuels [combustibles residuales] containing sulphur. A report to this effect was issued tonight in Caracas. The oil containing the least sulphur (0.5 percent) will cost 68 cents more per barrel (159 liters) beginning next Monday. Humberto Calderon Berti, Venezuelan energy and mines minister, tonight said that "This increase is the third since the meeting held in London in March and is further evidence of the strengthening and consolidation of prices in the international market." [Excerpts] [PA140708 Hamburg DPA in Spanish 2351 GMT 12 May 83]

CSO: 3348/397

HURTADO RECEIVES JOINT PLAN FOR ECONOMIC CRISIS

PA171334 Quito Cadena Ecuador Radio in Spanish 2300 GMT 16 May 83

[Text] Delegates of the 22 countries that will be present at the delivery of the document prepared by SELA and CEPAL [Economic Commission for Latin America] on the joint strategy to overcome the economic crisis affecting the region arrived in Quito over the weekend.

In a ceremony at Government Palace, Carlos Alzamora, permanent secretary of SELA, and economist Enrique Iglesias, executive secretary of CEPAL, officially delivered to President Hurtado the basic document for a Latin American plan to face the crisis.

Among other things, the plan recommends that Latin American countries take advantage of the crisis they are now confronting to change the development systems they have used in the past, which have made them very vulnerable and dependent. The document also points out the need for promoting regional cooperation and integration as the basis for Latin America's security and economic independence. The document also notes that it is time to use the region's joint power for negotiation in order to correct the harmful, unbalanced structure of its foreign relations.

In relation to the region's \$300 billion foreign debt, the document proposes the unification of all affected countries in order to obtain a renegotiation with new and stable foundations that will permit an equal distribution of the cost of international adjustment, and also maintain the standard of living in each country.

At the ceremony the Ecuadorean president, after expressing his gratitude and satisfaction over the accomplishment of his objective, said that the document will be sent to the other Latin American countries in order to begin joint work as soon as possible.

Hurtado Larrea also said that the crisis, although economic, requires a political approach, and therefore technical studies are undoubtedly necessary, which is why two organizations encompassing Latin America's most outstanding economists have been consulted.

[Begin Hurtado recording--in progress] ...the greatest challenge for Latin America and the Caribbean during the present century, on 11 February of this year I sent notes to CEPAL Executive Secretary Enrique Iglesias, and SELA Permanent Secretary Carlos Alzamora requesting them on behalf of the Ecuadorean Government to prepare a group of proposals intended to develop Latin America's capacity to respond and to strengthen its cooperation systems, which would serve as the basis for drafting an action plan with (?the help and cooperation) of all the governments in the region.

Simultaneously, I sent notes to the Latin American and Caribbean chiefs of state to inform them about the Ecuadorean initiative and request their indispensable collaboration.

The presidents generously accepted my petition, and unanimously backed my request to CEPAL and SELA. Thanks to their support, these organizations knew that the request was not only from the Ecuadorean Government, but also from all Latin American governments. I appreciate such a positive response, expressed once again with the appointment of the regional presidents' personal representatives attending this ceremony, whom I am pleased to welcome. Your stimulating presence here shows the interest and concern of your governments in finding a joint solution to the economic crisis confronting us.

It is with special satisfaction that, together with such distinguished delegates, I receive from Carlos Alzamora and Enrique Iglesias the basis for Latin America's answer to the international economic crisis. This document is destined to be of particular importance in the continent's future.

I appreciate and I am thankful for the contributions of CEPAL's and SELA's secretaries and of all those who worked with them, as well as for the participation of ALADI [Latin American Integration Association], SELA, OLADE and the Cartagena group. [end recording]

CSO: 3348/417

IGLESIAS ROUCO DISCLOSES YACYRETA-LINKED CORRUPT PRACTICES

Buenos Aires LA PRENSA in Spanish 13 May 83 pp 1, 4

[J. Iglesias Rouco Column: "The Argentine Connection"]

[Text] Certain elements in Argentina's process of internal decay are today beginning to have an impact on the domestic politics of neighboring countries. In recent times Bolivia has been one of the best-known examples, though not the only one.

According to our sources, a wideranging movement is developing at present within the Paraguayan Government and in particular among young army officers against not so much the person of Alfredo Stroessner as against the main people around him, including his son Gustavo Stroessner. As far as we can tell, this movement was formed in response to a series of corrupt practices, some of them linked, according to these officers, to the Yacyreta projects, whose irregularities we disclosed in this column in mid-1981.

Back and Forth

As we predicted a few days ago, the Argentine Government has just sent a "letter of intent" to the new consortium formed last year by the French company Dumez and the Italian firm Impregilo, which until early 1982 waged a hard-fought battle to secure the contracts for the construction projects, which are valued at more than \$1.5 billion. As we will recall, we also predicted that merger in this column, after the World Bank raised objections in December 1981 to the Argentine Government's plan to award the contract to Impregilo even though its bid was \$200 million higher than Dumez's. The negotiations that led to the merger were quite arduous and on occasions marked by episodes that are not yet public knowledge but that in practice kept alive and even accentuated the shady aspects (let's be nice about it) that have characterized this project from the outset. For example, just a few weeks ago one of the Argentine industrial groups that at various times belonged to at least two of the consortiums vying for the project, a group that was very well connected with important spheres of the local government, reportedly asked another Argentine industrial group linked with one of the foreign firms that have now merged to give it a portion of its share. The other firm agreed, out of fear, we were told, that

if the politically "well-placed" company were to withdraw, the project would again grind to a halt. Now that we have seen the "letter of intent" in Dumez-Impregilo's favor, all indications are that the official award will come sometime in July or August, as soon as the new consortium completes the appropriate formalities, not all of which are bureaucratic.

Fresh Difficulties

But even this final stage seems fraught with difficulties. As far as we know, a minimal understanding has not yet been reached between the bilateral agency's consulting partnership, headed by the Chicago-based Harza company, and the two groups of consultants advising the Argentine and Paraguayan governments, COADY and ETIC, respectively. According to our informants, both (or at least one) are considering the possibility of withdrawing from the negotiations, simply because they have not been paid in recent months. Thus, if the final talks proceed without their participation, the interests of both countries would theoretically be unprotected.

Nevertheless, the agency's consultants, headed by Harza, are reportedly determined to move ahead, all problems notwithstanding, and even to speed up the formalities required for the signing of the contract.

Reason for the Haste

Various political and military circles, which for one reason or another have been and still are observing with mounting misgivings the rarefied atmosphere in which the opposing interests in Yacyreta are vying with each other, told us yesterday that this haste was due to the desire not only to get the project under way but also to reinforce a policy of accomplished facts that would, among other things, prevent the next constitutional government from reassessing everything done so far in Yacyreta. If we take into account the information that we furnished at the time about the peculiarities and monstrosities in connection with the future dam's peripheral projects (land acquisition, the construction of temporary homes for the workers who will now be in charge of the main projects, the layout of roads, etc), for which more than \$1.2 billion has already been spent, this opinion does not seem wide of the mark. A brief investigation by this reporter in 1981 brought to light, for example, truly astounding agency budgets, in which up to a half million dollars was earmarked for each of the residences that the agency directors were to occupy, or several million dollars to "relocate" residents or purchase land in the jungle at a price of \$1,000 a hectare (it is worth only \$50 or \$60 there). In short, if anything is lacking in Yacyreta, it is not the sort of goings-on that any democratic government has the duty to investigate.

Paraguayan Officers

Independently of all the Yacyreta-related expenditures that Argentina has defrayed and will defray, the hundreds of millions of dollars

that Buenos Aires has already "invested" have unquestionably exerted their "influence" in Paraguay, including the alleged corruption that has allegedly been practiced there in connection with this major hydro-electric project. Furthermore, according to a memorandum that a good many Paraguayan Army officers have reportedly prepared, the personal interests (let's call them that) of several prominent figures in the Stroessner regime are at work behind the various domestic and foreign companies involved in the project. According to our sources, these figures include Gustavo Stroessner and Generals Andres Rodriguez, German Martinez, Johansen and Clep.

Also on the list of Paraguayan officers are, reportedly, Messrs De Bernardi, the Paraguayan president of the bilateral agency, and Rodas Ortiz, who represents Asuncion in the Yacyreta bilateral agency.

This does not, of course, exhaust the list of the personal interests we have mentioned. The officers reportedly would like to show General Stroessner the list and the evidence they have accumulated against these gentlemen, which they then hope would trigger a sort of backlash or palace revolution that could open the door to a more democratic transition period and, perhaps, to Stroessner's gradual withdrawal.

Is Stroessner Distancing Himself From His Son?

According to our sources, the Paraguayan dictator has allegedly been in touch with the dissatisfied officers for some time now and is reportedly willing to listen very seriously to their charges and to severely punish those who have availed themselves of his "trust" to make "deals" for themselves without his knowledge (or perhaps he once knew about them but has now forgotten).

We have even been told that because of this "affair" Stroessner has severed relations with his son Gustavo, who has been singled out as the main partner of not only De Bernardi and General Rodriguez but also (and this is more serious) of the famous Ricor, who spent 10 years in jail in the United States for drug trafficking.

Ricor, whose lifestyle was the inspiration for several chapters in the book "The Latin Connection," which deals with drug traffic, is currently living in Paraguay.

He returned there in a wheelchair, apparently an invalid and almost blind. He was reportedly seen later in his house, however, in full command of his physical faculties.

Another Conspiracy in the Works

As far as we can tell, this offensive by Paraguayan Army officers is not the only conspiracy that is currently in the works against the Stroessner regime. Concurrent with and even in political contradiction to the alleged morality drive by the officers, another conspiracy

has reportedly been set in motion under the name of the "National Agreement." It allegedly comprises various factions of MAPOCO [Colorado Popular Movement], as well as Liberals, Christian Democrats, Febreristas and Communists. Although we were unable to confirm this, international political circles are suggesting that this movement has some degree of support from Argentine subversive organizations. There is even speculation that Mr Vaca Narvaja might be in Paraguay. The army officers would obviously be interested (as it were) in getting the jump on this rebellion by undertaking their own, in order to prevent a complete political turnaround that would, in their judgment, have a very uncertain impact on Paraguay's future.

We will see what comes to pass over the next few weeks. For the moment, what seems certain is that no matter what the outcome of these upheavals in Paraguay, the "Argentine connection" will not be disassociated from them.

8743

CSO: 3348/386

SELA TO ENFORCE STRICT TUNA PROTECTION

PY200300 Paris AFP in Spanish 2157 GMT 19 May 83

[Text] Lima, 19 May (AFP)--Nine member countries of the Latin American Economic System (SELA) have agreed to enforce strict measures to protect tuna, a species that is in danger of extinction due to the indiscriminate catches by large foreign fishing fleets, SELA's fishing committee Secretary General Juan Jose Cardenas reported.

Cardenas, who returned from Guayaquil where he attended a fisheries vice ministers meeting, said that member countries have agreed to implement a program for protection and rational exploitation of tuna, because it is being practically devastated by large foreign fishing fleets.

Cardenas reported that the vice ministers also decided to submit a report to their governments so that they may take appropriate measures for the protection of tuna, a species that moves from Alaska to the Straits of Magellan.

Mr Cardenas also announced that the SELA fishing committee will call for an urgent meeting of SELA's ministers of the sector for mid-October in Lima, where problems linked to fish for human consumption will be discussed.

In conclusion, Cardenas reported that Peru, Chile, Ecuador and Colombia, members of the South Pacific Commission, have also agreed to adopt strong measures against foreign fleets operating within their territorial waters.

CSO: 3348/417

UNPRECEDENTED PARTY AFFILIATION FIGURES ANALYZED

Buenos Aires LA NACION in Spanish 15 May 83 pp 8-9

[Text] A head count of the citizens who are members of the various political parties as of the end of last month shows that never before in Argentine history has there been such a high ratio of the number of party affiliates to total registered voters.

The figures compiled by official circles on the basis of data furnished by the electoral boards indicate that of the 17,714,746 registered voters, 5,574,221 have chosen to formally join one of the recognized political parties, a ratio of 31 percent.

Even if we ignore that many recently formed parties still have time to submit their membership lists and that most of the traditional groups are still accepting members past the deadline in the election timetable (which will surely boost the ratio even higher), the above percentage more than enables us to assert that we are witnessing a development of far-reaching political significance.

The country's election history shows that party affiliation has never before topped 15 percent and that most of the time it was barely 10.

Why have Argentines suddenly changed their ways?

Hundreds of local scholars are already looking for an answer to this question, and there are even reports that foreign social scientists have arrived in the country to examine the nature of this development.

But while we await the findings of these studies, it is difficult to avoid the temptation of hazarding comments and offering interpretations on these figures and their meaning, which the parties have already begun utilizing to further their own electoral interests.

Before commenting critically on a number of hasty projections, we should put the current party membership level in its proper place.

The list of registered voters is not, in fact, the most useful point of reference in seeking the real meaning of this development because experience shows that not all registered voters actually cast ballots.

In the 1973 elections, about 85 percent of the registered voters cast ballots, which was above the historic average.

If we then assume that the voter turnout next 30 October will be the same as a decade ago, the ratio of party affiliates to 85 percent of total registered voters rises from 31 to almost 38 percent, which is indeed exceptional.

Given all this, we can understand why in this atmosphere of preelectoral confidence people are simplistically projecting the membership percentages to forecast the final election returns.

If this were to happen (see table), Peronism would win on 30 October by an absolute majority. Yet some political circles have the general impression that this is not going to happen.

Three Possible Approaches

On what do certain sectors base their reluctance to regard the membership tallies as virtual primaries?

Let us look first at the possible approaches to the issue: 1) To consider that the membership levels are unequivocal indications of how the electorate as a whole will behave; 2) To consider that they are not indicative at all in this regard, and 3) To consider that they are unquestionably valuable as indicators of general trends but that there are numerous dynamic factors involved in national politics that could have a major impact on these trends.

The usual argument for the first approach, which we can safely say is espoused by most Justicialist leaders, is that the average Peronist is generally reticent about active involvement in his party, because it lacks a historic tradition of such involvement. The direct relationship with Peron as the undisputed leader who reconciled differences by his very presence and interpreted the collective will, made feverish activity by party members unnecessary.

Peron's absence would partly explain the sharp rise in Peronist membership, but even so the lack of a tradition of activism would explain why many staunch Peronists have not bothered to complete their membership forms.

Another contention is that such individuals, especially those in government service, have a longstanding fear of signing documents that could later bring reprisals.

In short, the point they are making is that the Peronist Party could have even more members than it now officially does.

Party Membership (as of 30 April)

Total Party Members in the Country: 5,574,221

Registered Voters: 17,714,746

Ratio: 31 Percent

<u>Political Party</u>	<u>Total</u>	<u>Percent of Total</u>	<u>Percent of Registered Voters</u>
Justicialist	2,795,982	50.16	15.78
Radical Civic Union (UCR)	1,401,067	25.13	7.91
Center			
FUFEPO [Popular Federalist Force]	235,106		
Popular Line	69,857		
Progressive Dem.	45,325		
Social Democrats	35,389		
Federal (and allies)	47,689		
Democrats	24,593	457,959	8.22
			2.59
Left			
Communist	71,017		
Workers	60,774		
Social Affirmation Movement (MAS)	54,815		
Intransigent	56,835		
FIP	37,980		
Popular Socialist	55,393		
	336,814	6.04	1.90
Integration and Development Movement (MID)	129,637	2.33	0.73
Christian Democrats	56,133	1.01	0.32

Backlash

On the other hand, those whose approach is between the two extremes have countless reasons to back their view.

For example, LA NACION has heard it said that government circles are not ruling out the possibility that the heavy membership in the Justicialist Party will sound an alarm among the public.

In this regard, we are reminded of the mass rally that the Broad Front staged in Montevideo a few years back. That show of force by the Left not only prompted one of the highest voter turnouts in Uruguayan history but also led to the unexpected victory of the moderate forces.

The turnout of party members for the imminent internal elections is also anxiously awaited. If the turnout is not very large, the trend towards joining parties would tail off, thus bearing out those who argue that much of the new membership stems from the eagerness of party point men, who at times use bold tactics.

Another argument along this same line of conjecture is that some (we do not know how many) of the 70 percent of registered voters who did not join a party failed to do so because there were no strong groups that reflected their political concerns.

This category surely includes the mass of independent and moderate voters who are as far from the Radicals as they are from the Peronists and who would have to be the electoral groundwork of a third, centrist force. The various groups sought to sign up this stratum of the electorate at a time when the fate of the unity movement was still uncertain. It is thus not unreasonable to conclude that a single centrist ticket could garner many more votes, relative to membership, than the Peronists and Radicals might.

Affiliation by District

The ratios of party membership to registered voters in each district are thought-provoking in this regard.

For example, the capital shows the lowest level of affiliation, 19 percent, which is 12 below the national average.

If we assume that the residents of this area are not exactly characterized by a low level of politicization, we could conclude that what is lacking is not political energy but reliable avenues for involvement.

The other ratios also reflect the peculiar situation in our main provinces. Let's look at a few of them. Some 30 percent of registered voters joined parties in Buenos Aires; in Cordoba, 33 percent; in Mendoza, 30 percent; in Santa Fe, 34 percent; in Catamarca, 42 percent; in San Luis, 47 percent, and in Santiago del Estero, 53 percent.

As we can see, the districts with the most electoral importance are very close to the national average.

The highest percentage of membership was recorded in Tierra de Fuego, 85 percent, which has led some analysts to assert ironically that "the elections have already been held in that district." Some 59 percent of Tierra del Fuego party members opted for the UCR, while 20 percent chose the Justicialist Party.

In a word, the above arguments seek to downplay the importance of party affiliation as a tool for forecasting election results.

On the other hand, the table on the preceding page provides a strong counterargument to those who have been contending that the parties are finished as channels of participation.

According to preliminary estimates by social scientists, the high affiliation levels could have been influenced by a heightened civic awareness following the last 7 tough years of military rule. If this

hypothesis were to be borne out, we would have the paradox that the political failure of the National Reorganization Process was ultimately the main engine of a rebirth of civilian politics.

What would have happened, the experts wonder, if the Armed Forces had run a successful government?

Perhaps other political forces would have been strengthened.

More than one recent development has demonstrated, however, that the wear and tear of these years has not come cheap.

What's Happening with the PSD [Democratic Socialist Party]?

Perhaps one of the typical cases is that of the PDS, whose leadership bodies have just met to decide the party's policy towards election alliances.

As we already well know, the PSD, in a tactical union with the Progressive Democratic Party, has decided to move away from the rest of the centrist forces and towards the establishment of a democratic leftist front.

The heaviest political cost of this decision has obviously been borne by those who remained in the minority: Professor Americo Ghioldi, journalist Luis Pan, former Ambassador Walter Costanza and leader Norberto La Porta. All of them are in the front line of a faction that leans towards a union with other liberal sectors, Francisco Manrique's group in particular.

At the recent meeting of the party's national council, another faction, led by Secretary General Emilio Giannoni, Antonio Cartana, Leoncio Marcue, Raul Dellepiane, Hugo G. Dickman and Jose Rodriguez Cabarcos, imposed their view that unity should be sought only with the Progressive Democratic Party.

A third reform faction has begun to take shape as well, though for the time being at least it is not as strong in leadership bodies. Its main sources of support are the cooperative movement, many capital city centers and the figures of leaders such as Francisco J. Passini, the secretary of the Buenos Aires Socialist Federation, Orlando Carracedo from Rosario and Jorge Ordaz from Cordoba.

A few days ago the pro-liberal faction suffered a resounding defeat at the plenary session of the Capital Reorganization Board when only 3 of 22 centers backed the policy of alliances proposed by Luis Pan.

The new faction is said to be willing to forget about immediate results and devote its efforts over the next 5 years to the formation of a major socialist party. This is similar to the approach that Dr Alberto Natale has reportedly wanted to take for some time now among his Progressive Democrats.

Lastly, we should point out that the more extremist groups also began taking unusually energetic action last weekend in the Multiparty Assembly.

After the Radical leadership again refused to hear Alfonsin's complaints, as the Peronists had suggested at the time, the unions began putting strong pressure on Bittel to withdraw from the group once and for all.

The dynamics in this sphere are indeed dictated by the issue of candidates, perhaps because both the Radicals and the Peronists suspect that no percentage is significant, however high it may be, if the men whom they are going to run do not more than meet the unpredictable expectations of the populace.

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CSO: 3348/386

CUBAN BOOK BLAMES CHURCH FOR NATION'S PROBLEMS

Belize City THE REPORTER in English 24 Apr 83 p 3

[Text] "VISION DE BELICE" a new book on Belize printed in Havana in Spanish and intended for distribution among the Spanish speaking people of Belize, makes the charge that Belize's educational system is dominated by churches controlled from abroad and that this is considered to be the fundamental cause of Belize's low level of consciousness.

In a critical section devoted to post-independence developments, 'Vision de Belice' states:

"DURING independence celebrations Price took pains to point out to the foreign press that the phrase "Independence today, Liberation tomorrow" meant that having achieved political independence, Belize would fight for economic independence.

"So far however, all that has happened is a further hitching of Belize's future to the star of the United States and a reinforcement of traditional commercial relationships of the country with a clique of western countries -- relationships which inevitably are unjust and unequal.

"To date none of the frame.

work of the colonial past has been dismantled -- neither the public administration, nor the financial system, the organization of the government, the economic system nor the educational system, which is dominated by churches controlled from abroad which are considered to be the fundamental cause of the low consciousness level of the people. Everything continues unchanged as it was during colonialism. More importantly, there are no indications that any changes are even being contemplated among official circles.

"Belize is an important piece of the puzzle which is the region of Central America and the Caribbean -- a region which for centuries has been dominated by colonialism and imperialism through Great Britain and the United States. It is an area convulsed - a people awakened, some more than others, - and reacting against the ever increasing interference of the United States in the area."

'VISION de Belice' acknowledges no author, but it does produce (out of context) a piece on the Tenth of September which it ascribes to Fr.

Richard Buhler S.J., President of St. John's College and another piece on Slavery in Belize, attributed to Mr. Assad Shoman, Minister of Health. The material was prepared for the Caribbean Center of Studies in Havana with the collaboration of the little known Belize Institute of Friendship and Culture under the leadership of Mr. Juan Duran of CUBOLA PRODUCTIONS.

CSO: 3298/1261

PCB HEAD LAUNCHES CAMPAIGN IN CONGRESS TO LEGALIZE PARTY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 May 83 p 2

[Article by Fernando Cesar Mesquita]

[Text] Brasilia--The chroniclers record that one had the other in his rifle sights during the battle of Serra do Doutor, a fight that did not occur during the communist revolt unleashed in Natal, Rio Grande do Norte, in 1935, but which erroneously entered the history of Brazil. One was the famous Corporal Dias and other the brave Colonel Mariz of the Hinterland [Sertao], who came down from the city of Caico, commanding a company of desperadoes [jaguncos] against the rebels.

Yesterday, 48 years after they had become enemies without knowing one another, Dinarte Mariz, 79 years old, and Giocondo Dias, 70, saw one another close-up for the first time in their lives in the senate restaurant. They shook hands and embraced, through the initiative of the Social Democratic Party (PDS) representative and under the surprised gaze of Deputy Beth Mendes (Workers Party-Sao Paulo). "You are the wisest of communists. You leave the people fighting here and go abroad," kidded Dinarte. "No, senator, I was always here in Brazil, although my country is also the world," replied Giocondo.

Surprises

The unexpected meeting of the secretary general of the Communist Party (PCB) with the declared anticommunist, Dinarte Mariz, must have been one of the many surprises that the day on which he launched the national campaign for the legalization of the PCP held for Giocondo. In the company of [PCB] leaders Salomao Malina, Givaldo Teixeira and Teodoro de Melo, he toured the offices of the presidents of the chamber and the senate and of the party leaders. The four granted a press conference and were warmly greeted by dozens of deputies.

From the leader of the Social Democratic Party (PDS), the extroverted Nelson Marchezan, with whom they spoke privately for about 20 minutes in the chamber of the leadership the PCB leaders heard the statement that they had taken the right route in deciding to submit the party documents to the Elecoral Court. That way, from the program and the statutes, it

will be judged if the party has "overcome its previous conflict with the Brazilian constitution, which does not permit the operation of political organizations that advocate a single party and preach class struggle." According to his own account, Marchezan said that the basic problem of the PCB is this: as long as it advocates the dictatorship of the proletariat and a single party, it cannot be registered."

Marchezan told the communist leaders that the PDS is completely in favor of a multiparty system. "It is up to the court to decide if the PCB has evolved to that position." The PDS leader received a publication distributed in the chamber yesterday by the communists which contains the drafts of the manifesto, program and statutes. In the manifesto, the communists state: " We plan to organize, in accordance with legal norms, an autonomous national party that will assume the full defense of human rights, of ideological, political and party pluralism and autonomy of the mass movements, as well as respect for the representative forms of expression of popular sovereignty."

On receiving the PCB publication, PDS president Senator Jose Sarney, having at his side the president of the senate, Nilo Coelho, and the leader of the party, Senator Aloisio Chaves, in the latter's office, was courteous to Giocondo but made the point that in its program the PDS defends free enterprise and private property. He observed further that his party's reservations about the PCB lie in the communists' advocacy of a single party and the dictatorship of the proletariat.

Nilo Coelho, who was pleasant to the visitors contrary to his brash style, told the newsmen that he had been invited by Senator Jose Sarney to accompany him in receiving the communist leaders. "I was in the plenary chamber and Sarney called me for that unpleasant task," commented Nilo sarcastically.

It was not with sarcasm but with Minas cunning that the acting president of the chamber, Deputy Paulino Cicero, began his dialog with Giocondo in the office of Deputy Flavio Marcilio.

"President, I bring you here the drafts of the manifesto, program and statutes of the Brazilian Communist Party. They are provisional documents open to suggestions."

"Is it the manifesto of 1848?" asked Cicero.

"It is but considerably updated," replied Giocondo.

In his tour of the opposition parties, Giocondo heard the president of the Brazilian Democratic Movement Party (PMDB), deputy Ulysses Guimaraes, restate that the PMDB always defended the legalization of the PCB, a statement repeated by Ivete Vargas of the Brazilian Labor Party (PTB), Bocaiuva Cunha of the Democratic Workers Party (PDT) and Ailton Soares of the Workers Party (PT). When he proceeded to the Chamber of Deputies

Press Committee to grant the press conference, Giocondo was accompanied by Ivete, Freitas Nobre, leader of the PMDB, Bocaiuva Cunha and Airtton Soares. The conference was to have been held in the coffee shop but Paulino Cicero suggested to the leaders in the morning that Giocondo speak to the press in the committee chamber itself.

Giocondo declared at the press conference that "conditions already exist for the legalization of the PCB because democratic spaces are being created ever since President Giesel adopted measures aimed at national political development." He explained that there is no time period for requesting registration of the party with the Superior Electoral Court. At the end of the afternoon, he visited Deputy Thales Ramalho (PDS-Pernambuco).

8711

CSO: 3342/115

TRADE SURPLUS OF \$6 BILLION WILL NOT CLOSE BALANCE OF PAYMENTS GAP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 May 83 p 23

[Text] Brasilia--If Brazil achieves a trade surplus of \$6 billion by the end of the year, according to the goal established by the government, only \$3.9 billion of that total will have entered the coffers of the Central Bank, which means that the country will continue to face problems to close the balance of payments gap, government experts asserted.

In the first quarter, when the trade surplus reached \$844 million, only \$75 million of that total remained in the coffers of the Bank of Brazil because the exports effected during that period will not actually begin to be paid for until 6 months later. For April, when the surplus reached \$606 million, the government expected to receive \$450 million on demand, but that estimate is considered "unrealistic" today.

The experts estimate that exports of primary products will yield a trade surplus of \$3 billion although not all of them are sold "on demand," as is the case of fryers to the Middle East and of soybean to Eastern Europe. Manufactured and capital goods, on the other hand, are sold at terms that vary from 180 days to 10 years but as in all financed sales, the importer gives a down payment of between 10 and 15 percent of the value of the purchase. In that case, more than \$900 million will come in this year, resulting in the receipt of \$3.9 billion in foreign exchange. In the most optimistic possibility, the experts consider that some manufactured goods can be sold "on demand" and in that case it would add another \$300 million.

More Loans

According to the experts, that would inevitably lead Brazil to ask for more foreign loans despite the reluctance of the banking community. They point out that there also exists the "real" possibility of the country not achieving the surplus of \$6 billion, already informally admitted by some ministers from the economic area.

They recall that for Brazil to export \$23 billion this year, the government established a minimum monthly sales figure of \$1.91 billion, and in the first four months of the year, that figure has not been achieved. In January, the movement of exports reached \$1.5 billion; in February, \$1.3 billion; in March, \$1.7 billion; and in April, \$1.83 billion. They admit that there has been an important change in the conditions of foreign sales but that even so some time is needed for a correct evaluation of the results of the foreign trade policy.

8711

CSO: 3342/115

ALLEGED FIGUEIREDO MEETING WITH MILITARY TO DISCUSS SUCCESSION DENIED

Tarciso Holanda Report

Brasilia CORREIO BRAZILENSE in Portuguese 6 May 83 p 3

[Text] President Joao Figueiredo has scheduled an important luncheon for this weekend in Rio or in his country place in Nogueira, Petropolis, to examine with the military ministers the implications of the problem of presidential succession and the advantages and disadvantages of hastening negotiations, or at least releasing the candidates to prevent Paulo Maluf from creating a fait accompli situation in the Social Democratic Party (PDS).

Figueiredo is reluctant to open the issue that can create political embarrassment for him in the eye of the hurricane which the economic and social crisis is becoming. He especially fears the creation of a new pole of power, consequently weakening him. For that reason, he resists the advice to open the succession debate immediately and to begin the work of coordination that behooves him.

The president is unavailingly trying to contain the dispute when it is known that, behind the scenes, everyone is working at recruiting, some more than others depending on conditions: what they have to offer of taste and talent. In the political milieu, there are those who guarantee, and General Golbery is one of them, that the president has a secret preference for General Jose Costa Cavalcanti, president of the Brazilian Electric Power Stations Corporation (ELETROBRAS), but he is a candidate who did not do any work in the congress and in the PDS.

It is already known that Paulo Maluf is not and will not be the candidate of Planalto Palace. The PDS leadership is fearful that the former governor of Sao Paulo may become an insurmountable obstacle the moment Figueiredo decides to set off negotiations. The politically strongest name continues to be that of Vice President Aureliano Chaves but he has some serious problems to overcome.

The Military

A not insignificant part of the military area is working in favor of Maluf to "shoot down" the name of Aureliano Chaves, still resentful over the decision he adopted when, as acting president of the republic, he refused to expel the two French priests involved in land disputes with squatters in the Araguaia Valley. Aureliano decided to submit the problem to the authority of the courts and that irritated important segments of the regime, especially the intelligence community.

That military area, which has allies within the palace not very sympathetic to Aureliano, maintains that the vice president of the republic is "irreelectable," a word that does not exist in the dictionary but was expressly written into the constitutional text by Vice President Pedro Aleixo and former Chief of the Civilian Household Rondon Pacheco.

Section a) Paragraph 1 of Article 151 of the constitution establishes "the irreelectability of anyone who has held the office of president and vice president of the republic, of governor, of vice governor, of mayor, of deputy mayor at any time during the immediately preceding period." A very important military leader, very close to the president of the republic, showed that constitutional provision recently to another general to maintain that the vice president is not in a position to present his candidacy within the PDS. Aureliano has already been informed of that obstacle by friends, and many of the politicians close to him consider it advisable to consult the Superior Electoral Court regarding the validity or invalidity of that article of the constitution.

As for Deputy Paulo Maluf, it is worth pointing out that he has not limited himself to gaining support only in the political area--not only in the PDS but also among the opposition. He has stubbornly sought to gain favor among the military and is right now engaged in getting a private audience with Army Minister Walter Pires in the minister's official residence. Maluf does not rest in that journey, redoubling his enthusiasm at each obstacle. He has the stamina of an elephant.

Reelection

Someone close to former President Ernesto Geisel, with great negotiating power, warns newsmen not to make light of the reelection proposal that is being put forth repeatedly by Mines and Energy Minister Cesar Cals.

Nobody understands how such an ambitious proposal can overcome obstacles and become established without the support of the principal beneficiary, who is General Figueiredo himself. The president is counting the days that remain for him to leave Planalto and he appears more and more tired of the place.

Nevertheless, civilians and military men who move easily in the circles of power do not disdain the proposal that is being discussed by Cesar Cals. It is argued that the country's economic situation is very difficult; we are practically in an undeclared moratorium regime and the succession dispute can shake the political process to the point of making the easiest route attractive, namely the retention of the one who does not care for the place he occupies.

There is a variant to the reelection proposal, which would be the extension of the term of the present president for only 2 years.

Meeting Report Denied

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 May 83 p 5

[Text] President Joao Figueiredo yesterday termed as "fantasies" the reports that he had held a meeting with the military ministers over the weekend in Rio to deal with the succession problem. According to Planalto spokesman Carlos Atila, the president of the republic said that there were three fantasies: he did not meet with the military ministers, he did not deal with the succession and the reported luncheon in Nogueira did not take place.

In Brasilia, Deputy Roberto Freire of Pernambuco's Brazilian Democratic Movement Party (PMDB) considered the proposal of the reelection of President Figueiredo to be "fascinating," provided that in a new term of 2 or 3 years, he would assume the commitment to convene a National Constituent Assembly and sponsor direct elections for the presidency of the republic. And in Porto Alegre, the regional executive committee of the PDS is already going to begin to discuss the succession question on Monday when it meets to analyze the names of the party's Rio Grande do Sul delegates to the convention that will nominate the candidate to succeed Figueiredo.

While the presidential "hopefuls" continue to seek support from the political area and other sectors, the proposal of the reelection of President Figueiredo continues to be debated in congress where, beginning at 1000 hours on the 25th, it will be defended by Mines and Energy Cesar Cals.

The PMDB leaders in the chamber and in the senate, Frietas Nobre and Humberto Lucena accept the reelection of Figueiredo only if direct elections are reestablished and the president of the republic leaves offices at least 6 months before the elections. According to Freitas Nobre, the PMDB cannot accept the reelection of Figueiredo "because the president was not elected but appointed."

In the opinion of Senator Itamar Franco, the originator of the invitation to the mines and energy minister, the appearance of Cesar Cals before a congressional committee to defend the reelection of Figueiredo "is a political event of the greatest importance" because he would not be sponsoring that proposal if he were not duly authorized.

However, the PMDB leaders avoid discussing the possibility of the reelection of President Figueiredo and confirmed for tomorrow the meeting of the party's national executive committee at which a member will be selected to coordinate the recently launched campaign for direct elections for the presidency of the republic.

Deputy Jose Camargo (PDS-Sao Paulo), author of the amendment that governs the reelection of chief executives, continues to seek the support of the governors for his proposal and is due to meet today with Iris Resende, governor of Goias. By Saturday, he plans to meet with Franco Montoro of Sao Paulo and Leonel Brizola of Rio.

Jorge Arbage, vice leader of the government in the chamber, spoke in favor of Jose Camargo's proposal. "The idea of reelection has already gone beyond the phase of a trial balloon to become established as an absolutely viable proposal in the current political juncture of the country," declared the deputy. In his opinion, the proposal has already had repercussions among the public and therefore "there cannot be any retreat or evasion by its author and much less a pretext of rejection within the framework of the national congress."

Protest

In the plenary chamber yesterday, Deputy Haroldo Sanford (PDS-Ceara), regarded a Maluf supporter, contested the right of President Figueiredo to name his successor. "We do not accept, nor does the nation any longer accept, the naming of the successor. I do not find anywhere in the constitution a provision that says that it is the prerogative of the president of the republic to choose his successor."

The deputy considered strange the statements of leader Nelson Marchezan to the effect that after the president consults the PDS, he will settle on one name, and that a dispute in the party convention would meet the nonacceptance of the leadership of Figueiredo. "We are not going to accept the imposition of a candidate, regardless of where it may come from," said Haroldo Sanford, pointing out that in the convention voting "is secret, thank God."

In Minas, former National Democratic Union (UDN) member Aureliano Chaves is already getting the support of his old adversaries of the Social Democratic Party (PSD) for his candidacy for the presidency of the republic. Yesterday, Deputy Paulino Cicero (PDS-Minas Gerais), who came from the former PSD, declared in Belo Horizonte that the vice president

is the politician from his party who best fits the profile outlined by President Figueiredo for his successor. He recalled that Aureliano Chaves has already occupied the presidency several times, in replacement of Figueiredo and therefore "knows in depth the crisis that the country is experiencing and is qualified to administer it competently." Deputy Gerardo Renault, also of the Minas PDS, considers Aureliano "the right candidate for the presidency in the country's present circumstances."

In Porto Alegre, Governor Jair Soares expressed the desire to unify the party around a single candidate for the presidency of the republic. He believes that in this way Rio Grande do Sul will increase its influence in the succession process and will prevent its representational strength from being dispersed in the case of supporting several names.

The national president of the PDS, Jose Sarney, gave assurance yesterday that the composition of the national directorate--the number of members of which will be increased from 71 to 121--will be formed in accordance with the specific weight of the state sections.

8711

CSO: 3342/115

BRIEFS

UNE HEADQUARTERS IN RIO--The president of the National Students Union (UNE), Clara Maria de Oliveira Araujo, will be received in audience by Governor Leonel Brizola next Monday to discuss the transfer of the headquarters of that organization, which is currently installed in Sao Paulo, to Rio. The idea of the change emerged from a statement in that regard by the governor himself, who promised to donate a building in the city to the UNE, which has been outlawed since 1964. The proposal that is going to be taken to the state government by the student leader is that the organization again occupy the site of its old headquarters at 132 Flamengo Beach. The building in which the UNE operated from 1942 to 1964 was demolished 3 years ago. The building was expropriated from the Germania Club by Getulio Vargas during the war and donated to the student organization. Today the land belongs to the University of Rio de Janeiro, the rector of which is the writer Guilherme Figueiredo, who ordered the demolition. The idea of the UNE leaders is that the state government make an exchange of land with the federal government and again obtain the site for the organization. On Monday, president Clara Araujo discussed the matter with the secretary of government, Cibelis Viana, and the secretary of interior and justice, Vivaldo Barbosa, but was unable to see Brizola, who was in Rio Grande do Sul participating in the Getulio Vargas centenary celebrations. The leader of the Democratic Workers Party (PDT), Deputy Bocaiuva Cunha, who accompanied the UNE president to Guanabara Palace and scheduled the meeting with the governor for Monday, said that "the history of the UNE is part of the history of Rio de Janeiro and it is our commitment to provide the material conditions for the UNE to operate." [Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Apr 83 p 16] 8711

CSO: 3342/115

GOVERNMENT ATTEMPTS TO CONTROL PROTEST WITH CENSORSHIP

Union Declaration Broadcast Prohibited

PY101458 Buenos Aires TELAM in Spanish 1445 GMT 9 May 83

[Text] Neuquen, 9 May (TELAM) Radio Cooperative of Santiago, Chile, reported today that it received a verbal order from the Chilean Government that no communications media is permitted to broadcast, either partially or totally, a declaration issued by the unions calling for national day of protest on 11 May 1973.

Radio Cooperative stated that the unions of the most important copper mines in Chile, with the adherence of unions from throughout the country, decided to turn 11 May into a national day of protest.

The Chilean union organizations had originally decided on a general strike on that day, in repudiation of the economic, social, cultural, and political system implemented by the government.

The radio station explained that the reasons for this change (of the union measure) were released in a public declaration, the content of which cannot be released because the government, through its under secretariat general, ordered that no news media publish part or all of the content of the declaration.

This radio station also said that the censorship order imposed by the government was given verbally to the communications media and that the official in charge of transmitting the order added that a written order would arrive later.

This written order has not been issued so far, the Chilean radio concluded.

Restrictions on Radio Cooperative

PY140230 Paris AFP in Spanish 2323 GMT 13 May 83

[Text] Santiago, 13 May (AFP)--Through a decree signed by President Augusto Pinochet and Interior Minister Enrique Montero, the Chilean Government today prohibited the opposition station Radio Cooperative from disseminating news

items, commentaries, or interviews, It was reported in press circles that the prohibition, whose duration was not specified, apparently stems from the coverage Radio Cooperative--a major Chilean radio station--gave to the national day of protest held in the country last Wednesday.

The owners of the station are linked to the Christian Democratic Party, which has been proscribed by the government.

The government decree states that Radio Cooperative can only broadcast music and sports programs.

The directors of the station stated tonight that this measure is arbitrary and unfair and announced that they will avail themselves of every legal mechanism to have the sanction reversed.

Communique on Restrictions Reported

PY142232 Santiago Domestic Service in Spanish 1100 GMT 14 May 83

[Text] The Government Social Communications Agency, DINACOS, has issued an official communique on the status of Radio Cooperative. This communique states that in keeping with the legal and constitutional provisions of article 41 of the constitution and Interior Ministry decree 263 dated 21 February 1983, the news-disseminating activities of Radio Cooperative Vitalicia of Santiago, Radio Cooperative Vitalicia of Valparaiso and Radio Cooperative Vitalicia of Temuco which belong to Compania Chilena de Comunicacion S.A. have been restricted as of this Friday.

This measure has been implemented because, as is well known, some of the copper worker's leaders have violated the current labor laws by ordering a strike, which later failed, and Radio Cooperative supported this illegal strike by broadcasting interviews, news, commentaries and other items clearly intended to serve political goals. These broadcasts created a false overall sensation of public unease and upheaval obviously aimed at cooperating with the instigators of the strike. This has made this radio station an accomplice of the well-known violent incidents, the unfortunate outcome of which the government deplors.

Journalists' Reaction to Ban

PY190345 Paris AFP in Spanish 1933 GMT 18 May 83

[Text] Santiago, 18 May (AFP)--It was reported here today that Chilean journalists will call for a strike to protest the ban on the newscasts of the opposition station Radio Cooperative and the restrictions on the freedom of opinion. The day of the strike has not yet been established.

The decision was made during a special meeting that the Metropolitan Council of the Journalists' Association (Labor Union) called to adopt measures in support of the radio station, which was sanctioned by the military government on Friday.

The radio station, linked to the Christian Democratic Party, was charged with incitement of the national protest against the government of General Augusto Pinochet on 11 May. The Christian Democratic Party has been banned by a government decree.

During the meeting, which was attended by 150 journalists, reporters were told that if their employers would not let them observe the strike, they should undertake different actions in support of the measure, such as refusing to report news from the official sector or asking for preferential space to comment on the problems that journalists have confronted over the last few years.

Journalists will also contact leaders of the Association of Chilean Broadcasters (ARCHI), seeking their support for the day of silence, at least in the newscasts.

The journalists have decided to begin a hunger strike on the day of silence. The hunger strike will extend until the sanction imposed on the Radio Cooperative network is lifted.

Journalists have also decided to create a single committee to coordinate actions in support of Radio Cooperative. The committee will be made up of representatives of journalists' unions and student organizations but it will also invite other associations such as the society of Chilean writers, the Committee for the Defense of Freedom of Opinion and the National Human Rights Commission to send their representatives.

CSO: 3348/394

VALPARAISO POLICE LABEL ATTACK AS TERRORISM

PY142137 Santiago Domestic Service in Spanish 1730 GMT 14 May 83

[Text] The intendance of the fifth region has said that the attack against the Investigative Police in Valparaiso [on 14 May] was a terrorist act. In this regard, a communique was released today. The communique says:

In view of the attacks against the Investigative Police Prefecture and the Second Carabineros Precinct in Valparaiso in which 11 policemen and civilians were injured, the regional intendance finds it necessary to report the following:

1. Terrorism has again emerged to obstruct peace and order. In order to achieve this objective, high-power explosives were used. They were specially made to cause injuries over a wide radius.
2. The cruelty of the attackers was proven because one of the most powerful bombs was installed in a police vehicle stationed in front of the Cardonel supermarket when the area was full of customers.
3. The explosion injured the following persons: (Nelson Ayala Sepulveda), 26, detective, light injury; (Domingo Maureria Riquelme), 29, guard, light injury; (Mario Darea Gonzalez), 41, driver, serious injury; (Enrique Galdemes Fuentes), 45, investigative policeman, light injury; (Zoilo Hernandez Perez), 56, supermarket employee, light injury; (Reinaldo Flores Ortega), 13, student, serious injury; (Amelio Letelier Bombaca), 9, student, light injury; and (Manuel Rivera Aranda), 14, student, light injury.
4. The regional intendance calls the attention of the people to the relationship between the demonstrations carried out last Thursday in front of the Valparaiso Catholic University and the attack carried out today. These events are part of a single extremist plan, a plan in which high school and university students were irresponsibly involved.
5. It is quite clear that this was not a peaceful protest, as the events that took place last Thursday in Santiago and Valparaiso have been portrayed.
6. The regional intendance, safeguarding the life and the tranquility of the people, will use all legal means at its disposal to maintain public order. It calls on all people to refrain from taking part, as participants or spectators, in the disorders and provocations being organized by small opposition groups whose fanaticism has even led them to commit crimes.

BRIEFS

INVESTIGATIVE POLICE STATION ATTACK--Unknown persons have fired shots at an Investigative Police station in Santiago. At the same time a patrol car of this branch of the police was stoned by a group of criminals. The stones shattered the side windows of the vehicle. The two incidents were reported in an official communique signed by (Elis Jose Arias) head of the public relations department of the police. According to this communique, at approximately 2100 on 11 May a police patrol car, while on its rounds on La Florida Avenue, was stoned by a group of unknown persons who were blocking the avenue with tires which they had set on fire. As a result of this attack, the side windows of the vehicle were shattered. Another group of unknown individuals who were driving a van, fired several shots at an investigative police station, but without causing much damage. [Text] [PY142213 Santiago Domestic Service in Spanish 1100 GMT 14 May 83]

ARCHBISHOPRIC REGRETS, REJECTS VIOLENCE--A public declaration states that the Santiago Archbishopric regrets and rejects the acts of violence which occurred on 11 May. The declaration adds that in compliance with its doctrine, the church has always advised against active violence to confront and resolve the problems that are affecting the Chilean people. The Santiago Archbishopric also expresses its condolences to the families that lost their beloved members, adding that this irreparable damage should make all of us think of the consequences of violence and seek dialogue more earnestly. [Text] [PY131930 Santiago Domestic Service in Spanish 1730 GMT 13 May 83]

CSO: 3348/385

BRIEFS

DELEGATION TO ILO MEETING--Labor Minister Guillermo Sandoval has announced the names of the members of the tripartite delegation to the ILO meeting in Switzerland on 30 May. The delegation will be led by Labor Minister Sandoval and will include Elias Soley Soler as alternate delegate; Juan Mora Varela, the minister's adviser; Gerardina Gonzalez, representative of the business organizations; and Gilbert Brown, president of the Costa Rican Confederation of Democratic Workers and representing the labor organizations. [Summary]
[PA252316 San Jose LA PRENSA LIBRE in Spanish 20 May 83 p 3]

CSO: 3248/823

FORMER PRESIDENTS BOSCH, BALAGUER ISSUE STATEMENT

Communique Reported

Santo Domingo LISTIN DIARIO in Spanish 6 May 83 pp 1, 11

[Article by Saul Pimentel]

[Text] Former Presidents Juan Bosch and Joaquin Balaguer yesterday in a joint statement urged the government to adopt "urgent" measures to "prevent a greater deterioration of the economy" and, if possible, to improve the living conditions of the poorest sectors of the Dominican people.

Bosch and Balaguer, leaders of the country's principal opposition parties, issued their statement yesterday after meeting for 55 minutes in Balaguer's home at 25 Maximo Gomez Avenue.

It is the first political meeting between the two political leaders in the past 24 years and their second personal contact. Their first meeting was an informal one at a dinner hosted by a charitable organization last year.

They issued yesterday's statement because the government and the Dominican Revolutionary Party [PRD] have refused to accept a Bosch proposal for a summit meeting to discuss and seek solutions to the country's economic and social problems.

The meeting of former presidents Balaguer and Bosch began at 2:30 in the afternoon and ended at 3:25. Reformist Party [PR] members Joaquin Ricardo and Guillermo Gomez and Dominican Liberation Party [PLD] Deputy Norge Botello participated in the meeting.

Following is the text of the communique:

The exchange of views on the national situation held on the 3d of this month by representatives of the political organizations we preside concluded with a confirmation of the opinions which the PR and PLD had set forth separately.

This confirmation was made at a time when the world sugar price has dropped, albeit a few points, and when thousands of tobacco growers have been unable to sell their harvest because the price offered is below production costs. It leads us to address ourselves, as we are doing through this means, to the government of Dr Salvador Jorge Blanco and especially to the heads of official economic departments, to call to their attention the need that urgent measures be taken to prevent a greater deterioration of the economy and, if possible, to improve the living conditions in which the poorest sectors of the Dominican people find themselves.

We wish to go on record in this statement that we are concerned over the sustained rising prime rate of the dollar because such an increase represents higher cost of living for the people.

We are concerned over the rising high number of unemployed which, along with the excessive increase of the cost of living, is creating social tensions that for now are reflected on a runaway rise in crimes.

We are concerned over the fact that the government cannot cover its expenditures to the extent that it has accumulated a deficit of 82 million pesos over the first 3 months of this year, or a deficit of more than 1 million pesos per workday.

We are concerned over having learned that the Central Bank sold 40,000 ounces of gold in September of last year. This is almost one-half of the only gold reserves it had, since the 85,715 ounces that made up this reserve were worth \$3 million in 1961, the year when such reserves were acquired, and had reached a value of \$59 million in March 1980 due to the constant rise of the price of gold. Since the price of this valuable metal can increase at any time, Central Bank authorities cannot be certain if they helped or hurt that institution by selling the 40,000 ounces at \$439 per ounce. To justify what we have just said, we should recall that on 2 April 1979 the International Monetary Fund [IMF] sold gold for \$484.01 per ounce and 16 days later an ounce of gold was selling in Frankfurt and Zurich for \$515.50.

We are concerned over the fact that this year's exports have been projected to reach \$715 million while foreign debt arrears, interests and payments that we must pay amount to \$820 million, that is, \$105 million more than the income from exports. This means that the country's foreign debt this year will exceed the limits imposed when it was negotiated with the IMF last year, which leads us to believe that the negotiation with the IMF was hasty and has neither alleviated nor will it alleviate in the immediate future the current pressing situation in domestic trade.

We are concerned because a transfer of \$45-million worth of imports to the open foreign exchange market is planned for this year without taking into account that \$40 million of imports were transferred to that market a short time ago. At the same time, it is announced that an inappropriate issue of 230 million pesos will be put in circulation this year, thereby generating increased imports and, therefore, more transfers to the open foreign exchange market.

We know that to a great extent the economic crisis has been caused by the world crisis. But we also know that the Dominican crisis has been aggravated because for years there was no desire or the knowledge to adopt plans to cope with the national aspects of that crisis, which has been worsening especially since 1979. It was believed that we would come out of the crisis with the help of the IMF. But the agreement with that institution has not even helped to alleviate the monetary aspect of the situation since Central Bank arrears on foreign trade payments persist and the value of the peso in comparison with the dollar is deteriorating in a sustained manner.

We believe that the state of the Dominican fiscal and national economy is alarming. As former presidents of the republic and as leaders of two parties with representation in congress, we have decided to make our concern public knowledge. Our concern is legitimate, and we have the authority to express it as we are doing in this statement.

Our intention was that the PRD and the government of Dr Salvador Jorge Blanco share with us the views we have expressed in this document, but we still hope that PRD and government leaders and senior officials will understand that the patriotic interest of preventing suffering of the Dominican people has moved us to prepare this statement.

Santo Domingo, 5 May 1983

[Signed] Dr Joaquin Balaguer, President of the Reformist Party

[Signed] Juan Bosch, President of the Dominican Liberation Party

Reexamination of Problems Suggested

Santo Domingo LISTIN DIARIO in Spanish 6 May 83 p 6

[Editorial: "The Bosch-Balaguer Statement"]

[Text] Former presidents Prof Juan Bosch and Dr Joaquin Balaguer yesterday issued a joint statement expressing concern over the country's economic situation and demanding "urgent measures" from the government.

The truth is that the country is facing economic problems that should be of concern to the government and to the opposition.

We are not concerned because Professor Bosch and Doctor Balaguer believe that the economy is going badly.

Perhaps we do become concerned when government officials assert that the economy is increasingly improving.

The decreasing value of the Dominican peso is one of the things which most concern the average Dominican.

It is of no concern to most economists, primarily government economists. Instead, it causes a certain euphoria in them.

It is argued that a bigger drop in the value of the peso will raise the price of imported goods much more, thereby stabilizing the balance of payments and concentrating demand on domestic goods.

It is claimed that 90 percent of the Dominican population do not consume imported goods; therefore, depreciation of the peso does not affect the poor.

The truth is that all articles of "national" production contain a high degree of imported components, either in their production or in their marketing.

The experts always have said that the peso is overvalued.

How is the level of overvaluation identified or measured?

The experts say that the rate of overvaluation is the difference between "parity," the peso being equal to the dollar, and the exchange rate in the open market.

However, that disparity is not an external action immune to the decisions of those in charge of the economy.

It is the entire opposite. That overvaluation is the result of credit and monetary policy decisions, primarily those decisions designed to cover public sector deficits and to finance private sector "investments."

In both cases, it is a matter of donations, of "free money."

The many financial houses and supermarkets in this country testify to that generosity.

"Overvaluation" is the work of economic policy and is continuously progressive.

One proof of this:

About a year and half ago, before the agreement with the IMF, members of an IMF mission told members of the Monetary Board that with the help of the IMF, unification of the types of exchange rates could establish a single exchange rate of more than 80 cents of a dollar per peso. The requirement involved was a severe, although not distressing, restriction on the creation of money.

Such a goal appears impossible today.

If the country practically does not have external credits, and that is the best thing of this situation, why are so many avenues of domestic credits maintained?

The FIDE [Investment Fund for Economic Development], as well as the rediscounts to financial companies, should have been closed a long time ago.

By the same token, there should have been a stronger restriction on public sector deficits.

Creating pesos with dollar demand, and then repudiating them with the epithet of "overvalued," is incomprehensible.

In our opinion, the proposals of Balaguer and Bosch should lead to a calm and broad reexamination of the country's economic problems and of ways to resolve them.

9925

CSO: 3248/757

TAKEOVER OF HONDURAN EMBASSY BY RUMINAUI FRONT

PA262008 Madrid EFE in Spanish 1909 GMT 26 Apr 83

[Text] Quito, 26 Apr (EFE)--The takeover of the Honduran Embassy in Ecuador staged by some 25 people this morning will last until a mediating commission opens talks with the Ecuadorean Government, a spokesman for the occupiers has announced.

The occupiers of the embassy are members of a so-called Ruminai Front of Solidarity with Central America and the Caribbean [Frente Ruminai de Solidaridad con Centroamerica y el Caribe].

Juan Carlos Perez Cadalso, Honduran consul and first embassy secretary, is being held hostage with two other officials inside the embassy.

The Ecuadorean police have arrived at the building and are now allowing anyone in. The Honduran Embassy is located on the third floor of a seven-story apartment building.

The Ruminai Front members have presented the Ecuadorean Government with several demands connected with the Central American situation.

The group occupying the embassy has appointed a commission that includes parliamentarians, leaders of human rights organizations and journalists, and they are now asking the commission members to approach the building so as to establish a dialogue between the front and the Ecuadorean Government.

The embassy occupiers want the Ecuadorean Government to express its "public and determined" support for the "Contadora Group." They also want the Ecuadorean Government to join this group.

In addition, the group is demanding the Ecuadorean Government's solidarity with the Nicaraguan people, the withdrawal of the current Ecuadorean ambassador in Guatemala in protest of the most recent executions, and recognition of the FMLN as a "deliberating force in the Salvadoran people's current conflict."

CSO: 3348/398

BRIEFS

AREA ECONOMIC CRISIS MEETING--Representatives of Latin American governments and the secretaries general of SELA and ECLA will meet in Quito to discuss President Hurtado's proposal for overcoming Latin America's economic crisis. Foreign Minister Luis Valencia Rodriguez spoke about the preparations for this meeting: [Begin Valencia recording] You know that personal representatives from the Latin American and Caribbean presidents will begin to arrive on 14 and 15 May to witness the presentation of a document prepared by the SELA and ECLA executive secretaries. The document will contain the two organizations' proposals for facing Latin America's economic crisis. The special ceremonies will begin on Monday. The main objective of the event is to receive the document prepared by the two organizations, which will be ready sometime over the weekend. After the document is received on Monday, the personal representatives of the heads of state will hold a working meeting to analyze the steps that should be taken in future. This means that as of Monday, the document will no longer be an Ecuadorean document, but one for Latin America and the Caribbean. [end recording] [Text] [PA150005 Quito Voz de los Andes in Spanish 1130 GMT 13 May 83]

CSO: 3348/398

BRIEFS

PEOPLE QUESTION UTILITY REPAIRS--The 11 million dollars given by the United States on 16 May through AID will be used to repair the damage caused by terrorism in the East. Although this news was well received, some segments of the populace commented that if things did not change with respect to the attacks against power utilities, telephone lines and bridges, it would be useless to invest large sums of money. [Summary] [San Salvador EL MUNDO in Spanish 17 May 83 p 28]

CSO: 3248/832

PRESIDENT RIOS MONTT EXTENDS POLITICAL AMNESTY 30 DAYS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 27 Apr 83 pp 1, 8

[Text] General Jose Efraim Rios Montt, president of the republic, yesterday noon issued Decree 43-83, which extends the political amnesty by 30 days for the purpose of giving an opportunity to those who for various reasons were not able to avail themselves of the benefits of the preceding decree to do so during the 30-day extension period.

The new decree will become effective on 29 April, that is, at the conclusion of the preceding one, which was issued this past 22 March. It will cover political and common crimes and those who participated as perpetrators or accomplices who, individually or collectively, are now or have been members of subversive factions and have engaged in violent deeds against the juridical-political system of the country.

It was learned that the government considered it expedient to accord this extension for the purpose of achieving peace and harmony for all Guatemalans and by virtue of the very good results of the current amnesty, which was granted through Decree 27-83 this past 22 March.

According to statements made by General Oscar Humberto Mejia Victores, minister of national defense, up to now 1,389 persons have availed themselves of the amnesty, which proves the effectiveness of the measure.

This measure was so effective that General Mejia Victores and Colonel Ricardo Mendez Ruiz, minister of interior, had said that they would ask the president of the republic for an extension of the amnesty.

The minister of defense stated that, of those who took part in armed conflict against the army and other security forces, 626 subversives have laid down their arms.

General Mejia Victores also said that 763 peasants who had emigrated to Mexico to take refuge decided to return to their country to rejoin their families in their places of origin and to resume their agricultural activities, after receiving protection from the regular military forces.

8255

CSO: 3248/771

MINISTER OF INTERIOR: SUBVERSIVES CANNOT FORM POLITICAL PARTIES

Guatemala City PRENSA LIBRE in Spanish 4 May 83 p 6

[Article by Mendez Ruiz]

[Text] Colonel Ricardo Mendez Ruiz, minister of interior, stated that subversive criminals will never be allowed to be members of a political party, because they are persons who have plundered, murdered, and kidnapped many upright citizens.

The official commented that those who follow a Marxist-Leninist type of ideology can form a communist type of government, in accordance with the wishes of President Rios Montt.

"However, subversives who are responsible for a series of deeds that have seriously damaged the country cannot form a party."

The minister of interior was asked if guerrillas could be members of a political group after being accorded the reconciliation amnesty.

He replied: "I believe that they will not be able to take part in political decisions, because the subversives are criminals who have murdered, plundered, and destroyed entire towns."

8255

CSO: 3248/779

BRIEFS

PGT LEAFLETS INFORM WORKERS--A Guatemalan Labor Party (PGT) leaflet bomb exploded at 0630 hours today, in front of the PRENSA LIBRE building, located at 13th Street and 9th Avenue. The leaflets that were launched by the bomb were addressed to workers in connection with the celebration of 1 May, Workers' Day. The PGT leaflets called on all workers "to organize, in secret or legally, to continue to fight for our interests." [Excerpt] [Guatemala City EL IMPARCIAL in Spanish 28 Apr 83 pp 1, 7] 8255

NEW PANAMANIAN AMBASSADOR--Victor M. Motta, Panama's new ambassador to Guatemala, presented his credentials to Guatemalan President Rios Montt at a special ceremony in the reception hall of the national palace yesterday noon. Chancellor Eduardo Castillo Arriola attended the ceremony. [Text] [Guatemala City EL IMPARCIAL in Spanish 28 Apr 83 pp 1, 10] 8255

STUDENTS, PROFESSIONALS ACCEPTING AMNESTY--According to Col Hernan Orestes Ponce Nitsch, head of the national police, the 10 subversives who availed themselves of amnesty in this capital include professionals and students. Ponce Nitsch said in a press conference that "those pardoned" include former rebel leaders who have decided to lead a normal life. For reasons of security, the names of the persons who voluntarily appeared before the police authorities were not made known. It was reported that proceedings connected with the 10 cases were recorded and that a copy was given to each of the persons involved. [Excerpt] [Guatemala City EL IMPARCIAL in Spanish 28 Apr 83 pp 1, 10] 8255

MELONS, ONIONS EXPORTS--During 1981-1982 198,000 cases of melons and 22,000 quintals of onions were exported to various countries, especially in Europe, said agricultural engineer Carlos Efraim Pinto Minera, director of the Agriculture, Science, and Technology Institute (ICTA). This trading activity, he pointed out, shows that our country, especially our farmers, is greatly benefitting from the technical assistance that is offered it by the government of the republic, through the ICTA, in order to improve crops, seeds, and other aspects of the commercialization of the fruit. Engineer Pinto Minera indicated that these exports have provided the country with an income from foreign currency amounting to more than half a million dollars. [Text] [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 27 Apr 83 p 4] 8255

AGREEMENT FOR 100 MILLION CANADIAN DOLLARS CREDIT SIGNED

Mexico City EXCELSIOR in Spanish 3 May 83 pp 4, 30

[Article by J. Jesus Rangel M.]

[Excerpts] Yesterday the Federal Government signed an agreement for 100 million Canadian dollars in credit (a little over 12 billion pesos) from eight private banks from that country, with official support. The funds will be used to purchase agricultural and industrial inputs. The National Finance Bank, Inc. (NAFINSA) and the National Bank of Foreign Commerce were the financial agents for Mexico.

This transaction will further the goals and actions of the Mexican Government to combat the crisis which confronts the nation, because it contributes to the protection and stimulation of production programs, and also reflects the confidence of the international community in the nation's economic recovery.

Francisco Suarez Davila, undersecretary of finance and public credit; Gustavo Petricioli, director general of the National Finance Bank, Inc.; and Alfredo Phillips, director general of the National Bank of Foreign Commerce, all signed the loan contract.

It is assumed that one-fourth of the financing will be used for purchases of agricultural products such as fodder, genetic materials and flaxseed, in addition to livestock on the hoof. The rest includes products such as steel, pulp and paper, asbestos, mining equipment, electrical and electronic equipment, primarily.

The pact stipulates that the range of products can be expanded depending on the demand of Mexican importers.

NAFINSA indicated that this loan marks a new trend in the kind of goods and services traditionally imported under the auspices of such lines of credit, because generally they are used to finance the purchase of capital goods.

On this occasion, however, additional support is granted for the acquisition of inputs from Canada, because inputs are precisely what national businesses require most at this time.

NAFINSA indicated that Canadian capital goods exporters have participated widely in the Mexican market, particularly in railroad, forestry and mining projects.

NATIONAL IMPORT SUBSTITUTION PROGRAM ANNOUNCED

Mexico City UNOMASUNO in Spanish 6 May 83 p 7

[Article by Victor Manuel Juarez]

[Text] Undersecretary of Industrial Development Mauricio de Maria y Campos announced yesterday the beginning of a National Import Substitution Program. The Official also indicated that an effort will be made to ensure that the public sector's buying power benefits the national productive apparatus in order to protect it from the international situation and from harmful practices such as dumping.

He explained that small and medium businesses whose financial structures have deteriorated due to a lack of liquidity are now being offered credit lines with a direct rediscount. Regarding support for businesses, he added that the Secretariat of Commerce and Industrial Development (SECOFIN) has authorized import permits and has set aside preferential foreign reserves for productive entities, giving special attention to the food and medicine sectors.

He also noted that in order to avoid any impediment to production, 350 items on the General Import Tariff list will be exempt from the prior import permit requirement. These items include spare parts as well as equipment. Import quotas have also been assigned to industrial chambers and associations in order to meet businesses' most urgent needs.

The National Import Substitution Program has been created for the purpose of promoting industrial projects of priority national interest and ensuring that from the beginning such projects are designed for efficiency and international competitiveness. Thus, emphasis will be placed on areas where the projects can be carried out with existing equipment, or where small investments are required, aimed at establishing complementary lines and optimizing current installed capacity.

Mauricio de Maria y Campos spoke yesterday before the national convention of presidents and regional managers of the National Association of the Processing Industry (CANACINTRA), where he pointed out that "some measures have been strengthened, and we have gone beyond what was originally planned in order to carry out the program in a manner that guarantees the defense of the productive apparatus and employment."

Another measure is the streamlining of procedures and red tape so that small and medium industries can take advantage of the options made available for the purchase of foreign reserves by businesses that renegotiate their debt.

De Maria y Campos explained that the Technical Committee on Exchange Control is satisfactorily handling specific requests by firms or groups of firms that need exceptional treatment, so that exchange control is conducted in a flexible manner which is capable of adapting to the needs of the country's industrial and commercial development.

The undersecretary of industrial development also told the members of various business organizations that an overall line of credit was negotiated with the Export and Import Bank of Spain to support companies that have debts with suppliers in that country. An agreement was reached for the long-term renegotiation of the debt contracted with Canada, and a similar line of credit as well as an exchange program were negotiated with Brazil.

Later on he indicated that in the case of businesses unable to absorb or digest more credit, a system is being devised to deconcentrate and streamline temporary capital supports for certain companies, particularly small and medium ones, basically for those firms whose financial circumstances have deteriorated for lack of liquidity.

He said that specific technological problems are being dealt with, such as those involved in substituting raw materials in the production of milk cartons, toothpaste tubes, and some pharmaceutical packaging, for example.

8926

CSO: 3248/794

CONSULTEC STATES GOVERNMENT POLICY STAGNATING ECONOMY

Mexico City PROCESO in Spanish 9 May 83 pp 6-9

[Article by Carlos Ramirez]

[Text] Here is what the official economics reports do not say:

- + The contradictions among all the sectors of economic policy exacerbate the maladjustments, covering one hole while opening another, and impede the re-ordering of the national economy.
- + The crisis has not yet touched bottom. Harsher and more implacable impacts on employment, a lower standard of living and economic stagnation can be foreseen. The recession will create more unemployment, higher costs plus poverty and lower public spending plus stagnation.
- + The cost of the crisis is falling mercilessly on the shoulders of 75 percent of Mexicans, causing greater deprivation and impoverishment. Wages are shrinking steadily while goods become beyond the reach of consumers.
- + The government's statistics and evaluations justify the immediate economic reordering program, but try to obscure the sun with a single finger: the social crisis worsens, the effects of economic policy overwhelm the economy of the masses, and the quantitative aspects of the crisis are being controlled at the cost of depressing the Mexican standard of living.

Behind the recent reports by the Secretariats of Planning and Finance lie two purposes, according to evaluations by the Consultec group, formulated by economists who carry out studies and analyses of the Mexican economic situation: on the one hand, official documents deal with statistics and points of view that downplay the social effects of the crisis; on the other hand, that overlooked social reality insists on making itself known, no matter how much government officials try to ignore it.

Consultec is a firm established by economists and researchers from the Autonomous University of Mexico to undertake an independent follow-up and evaluation of the Mexican economy. The analysis of national and international information is distributed at the executive level in the public and private sectors,

in order to provide a different assessment that will contribute to decision-making.

Furthermore, Consultec distributes its reports in national and foreign publications. Using official, private and independent statistics, as well as a situational economic model, Consultec makes economic projections.

Based on official figures, Consultec drew up a kind of economic and social counter-report for the first quarter of 1983 with reference to the Mexican economy, combining the official evaluation with the assessment that can be discerned behind those figures. According to the Consultec document, the principal achievements of official economic policy--inflation, fiscal deficit, savings and money supply--have left a wake of Mexicans with steadily reduced buying power and social effects that are conspicuously absent from government reports:

- + The economy is not reactivating, and stagnation is allowing the economic apparatus to grow cold, but at the cost of social sacrifices.

- + The social effects of economic policy are manifested in crime, lower consumption, increased unemployment and the swelling of the ranks of street vendors.

Furthermore, there is no doubt about which sector has benefited most from this year's crisis: large businesses and industries, whose profits have risen at a rate higher than that of wages. According to Consultec's figures, Aurrera saw its profits climb by 47 percent in the first quarter of 1983, while Sanborns increased its earnings by nearly 100 percent.

The list of profits is as follows:

Mining, 186 percent; auto parts, 7 percent; consumer goods, 36 percent; commerce, 25 percent; construction, 6 percent; paper, 18 percent; chemicals, 28 percent; transportation and communication, 71 percent; and iron and steel, 99 percent. Some firms and isolated groups experienced a smaller decline in profits: electrical, 25 percent decline; Desc Group, 62 percent; and the Vitro Group, 53 percent. This does not mean they had losses, but that their profits went down from one year to the next.

Consultec points out that the government seems to be meeting its objectives of combatting inflation and getting the country's financial indicators back on their feet. According to Planning and Finance, inflationary pressures "are under control," and it is estimated that the monthly rate of inflation will be lower in the second half of the year. Moreover, government reports laud the increase in savings, trumpet the decline in the fiscal deficit, and praise the control of the money supply. If these were the final objectives of economic policy, the country would be able to see the light at the end of the tunnel.

The complex facts, however, indicate that the country will have to pay a high social cost for that feast. According to Consultec's economic and social counter-report, the social impact of economic policy breaks down as follows:

Buying power. Victims of an economic policy oriented toward reordering state finances and attracting private investment at high rates of profit, the majority of Mexicans have seen their buying power plummet. In the first quarter of the year, wages lost nearly 12 percent of their value.

In this context, the Consultec counter-report indicates that wages have grown little, and drag with them a high deficit compared to 1982's triple-digit inflation. In addition, prices for clothing and shoes rose by 30 percent in this quarter alone, while health care soared by 33 percent, food 17 percent and education and recreation 31 percent.

The worst price increases have been those of staple goods, which have grown on their own, with official authorization, and above the ceiling prices. Milk costs 10 percent more than the official price; so does meat. Eggs are subject to speculation. In addition, other raw materials have gone up: gasoline, transportation. Prices are raised to increase profits, and high interest rates drive up the cost of goods also.

The problem is even more complex: 3 million farmworkers do not earn the minimum wage. Fifty-five percent of the working population has unsteady income, below the minimum; 25 percent of workers with jobs earn the minimum. And there is no chance that price controls will reduce inflation, because the products whose prices are controlled have gone up just as much as or more than the unregulated ones.

Unemployment. If economic policy seeks to rescue the country from the crisis and eliminate stagnation, its real result is to accentuate the recession, and its effects on employment are drastic. In December and January tens of thousands of bureaucrats were laid off. In January and February the Mexican Social Security Institute (IMSS) registered 158,000 workers who lost their jobs. The official estimate of jobless workers for this year is 600,000. The psychological barrier of 50 percent of the work force was broken, and now the unemployment figure is 55 percent or slightly more. The Bank of Commerce reports that at present 2 million workers have no work at all, not even vending; 10 million are underemployed. The Secretariat of Labor calculates that another 500,000 will be added to the list of those who have no income.

The list of lay-offs continues. Dina cancelled the contracts of 2,500 workers. The auto industry has let 15,000 workers go; textiles has laid off 40,000, construction 400,000. The Confederation of National Chambers of Commerce (CONCANACO) estimates that in 1983 750,000 workers will be discharged. Private estimates, derived from an economic policy that worsens the recession and does not reactivate growth, point to more lay-offs and factory closings. In response, the government barely manages to conceal unemployment with underemployment: it created a program for 700,000 jobs this year, to meet a new demand of nearly 900,000 jobs per year, accumulated demand of 2 million jobs, plus the workers who have been laid off during the crisis.

Deprivation. Reduced buying power and employment problems swell the ranks of Mexicans who do not participate in the economy. The General Coordinating Board of the National Plan for Depressed Areas and Marginal Groups (COPLAMAR) has figures that indicate that only 3.4 percent of Mexicans are able to exceed

their minimum food, education and housing needs. The problem does not end there: 70 percent of the population is excluded from the benefits of development; 90 percent is undernourished; 60 percent has no access to minimum nutritional levels; 85 percent of the population living in areas with fewer than 500 residents has no medical care; 45 percent of the national population has no social security coverage; 1 million Mexicans do not speak Spanish; 6.6 percent of Mexicans under the age of 15 are illiterate; 23 million Mexicans--59 percent of adult Mexicans--have not finished primary school; 75 percent of Mexicans eat no meat or milk.

Recession. The problem does not end there. The stagnation of the economy feeds inflation, reduces investment and extends unemployment. According to official calculations, the economy will decline by less than 2 percent in 1983; according to Chase Manhattan, the decline may be as much as 7 percent. Investment is stalled, and manufacturing production will drop by 10 percent. Sales by the auto industry have fallen by 42 percent. That decline in industrial activity has led to a 3 percent drop in the consumption of electrical energy. Private investment is not reacting, and public spending is falling. If the goal is to chill the economy, recession is the most direct, easy and quick method. Thus, a minimum of 2 years of recession is predicted.

Government policy. The economic and social counter-report emphasizes, above all, the general context of the economy: government policy, which seeks to attain a few objectives at the cost of aggravating other areas. Consultec points out that the elements to reactivate the economy do exist: savings and liquidity for financing, foreign reserves generated by high exports and low imports, and a domestic market which could put national demand back on its feet if it had enough buying power. Official decisions, however, aim only at controlling inflation and raising financial indicators.

Examples abound: in the first quarter of 1983 2.8 billion pesos was granted in bank financing for investment, while during the same period of 1982, 16 billion was made available. This year 341 billion pesos came in, however, as opposed to less than 100 billion in 1982. There is money. The problem is the interest rate, which makes money more expensive; an investor who asks for credit must pay nearly 100 percent a year in interest.

Similarly, the government has managed to reduce the public deficit. The contradictions abound, however: budgeted spending has proceeded right on schedule during the first quarter of the year, but fiscal revenues have not matched official estimates. Thus, different pressure is expected to increase the fiscal deficit. The recessive policy is to blame.

There are foreign reserves, but they are channeled into non-productive sectors. The foreign trade surplus for the first quarter amounts to \$2.353 billion. But instead of earmarking those funds for imports that will put the productive apparatus to work, they are used to pay interest on the public and private foreign debt.

The problem of the debt is determining the economic development of the country. Interest payments for 1983 equal 126 percent of exports, which means that not even exports cover our foreign currency needs. According to the

World Bank, in 7 years Mexico will have to pay \$70 billion in interest, and 28 percent of public spending will be for paying the foreign debt. The cost of renegotiating the debt in January was \$250 million. The government has had to guarantee the \$15 billion in private foreign debts.

Fiscal policy. In the final analysis, taxes are the embodiment of the unfair economic policy and the contradictions of the government's program. Taxes are raised to capitalize public finances, but they inhibit investment and consumption, and this causes recession. Fiscal revenues for the quarter were higher than those of 1982, but lower than expected. Hence the government has to cut spending further or go into debt more to balance its books. Revenue collections are lower than expected because higher prices as well as the increase in the value added tax (VAT) prevent people from buying things.

Furthermore, the government's fiscal income depends on the VAT, which is a tax on consumption. In the 1983 budget the VAT grew by 204 percent with respect to 1982, while the tax on property rose by a modest 36 percent. In addition, there were government subsidies and tax incentives for private initiative, which enabled some businessmen to avoid paying taxes if they created jobs or moved to strategic areas. According to calculations by Arturo Bonilla, former director of the Institute for Economic Research at the National Autonomous University of Mexico (UNAM), the state has subsidized private initiative with more than 1 trillion pesos over the past 10 years.

Economic policy. In the area of definitions, the center of the crisis lies in the formulation and implementation of economic policy. Consultec has detected a series of contradictions that encourage certain objectives to be established, but the consequences always go in the opposite direction. For example:

Inflation is combatted by cutting public spending and controlling the money supply and wages, but at the same time it is stimulated with high interest rates, high profits as a condition for investment, increases in prices and rates in the public sector, and the authorization of price hikes for regulated products.

Another goal is to capitalize the state, but high taxes inhibit investment, reduce consumption and lower revenues.

Economic growth is supposed to be encouraged, but interest rates, high taxes, withdrawing money from circulation and lower public spending will lead to greater stagnation and recession.

The burden of the crisis is supposed to be distributed equitably, but decisions ultimately promote high profits and support for the private sector, at the cost of the workers' standard of living.

At any rate, official reports agree on one thing: "the crisis is under control" and "we are following the correct path."

The economic and social counter-report, however, leaves not a shadow of a doubt: the crisis is not under control and the social effects will continue to plague the defenseless majority.

CTM LEADER UNDERLINES DIFFERENCES WITH UOI

Mexico City EXCELSIOR in Spanish 4 May 83 pp 4, 30

[Article by Humberto Aranda]

[Text] "There is no agreement between the organized labor movement and the so-called independent movement." The differences between the two are "fundamental and structural," stated the secretary general of the Confederation of Mexican Workers (CTM), Fidel Velazquez, yesterday in an interview. He rejected the possibility of any alliance between the two labor movements.

The leader asserted that when the Union of Independent Workers (UOI) paraded last Saturday to commemorate Labor Day, "it did not show its strength but rather its weakness, because barely 12,000 workers participated in the parade, if that. The other groups--SUNTU [expansion unknown], the Trade Union of the National Autonomous University of Mexico (STUNAM), the National Coordinating Board of Education Workers (CNTE), and the Revolutionary Workers Party (PRT)--which joined the ranks of the Congress of Labor column on Sunday, did not represent anything numerically; they were simply making a spectacle of their gross and inappropriate rhetoric," he said. Then he stated:

"The organized labor movement within the Congress of Labor respects the other proletarian groups that exist, and has not tried to silence them or impede their activities. If they feel that with such tactics and strategies they can solve the problem, let them try; we see things a different way, and we apply our own tactics."

The CTM leader presented his position on the labor elements that oppose the Congress of Labor during an interview yesterday in his office concerning President Miguel de la Madrid's statement last Sunday to the effect that the independent groups deserve all due respect from the institutions of the Republic.

"That is true. The proof is that the demonstration of 1 May was marked by requirements and demands which the government certainly heard, and has taken into consideration," commented the CTM leader.

Velazquez pointed out that the independent unions did not ask for authorization to participate in the Congress of Labor parade: "They took it upon themselves; but our comrades did not bother them."

[Question] Is it possible that there will be room for the independent unions in the Congress of Labor?

[Answer] Only if they were to request it; we have not considered anything ourselves, because they have not asked.

However, in view of a reporter's statement that the SUNTU had indicated its desire to be admitted to the Congress of Labor and to continue participating in the 1 May celebrations, Velazquez stated:

"That is not possible. We have already seen the effects of their presence in such an important and influential worker demonstration as that put on by the Congress of Labor; they tried to change the direction and provoke disorder. But that did not detract from the impact of the demonstration, which was the most significant one we have staged so far, with the most participants. Its combativeness was not diminished, because all the workers expressed their demands, protested injustice and exercised their rights."

In response to the assertion by the Employers Confederation of the Mexican Republic (COPARMEX), published in yesterday's EXCELSIOR, to the effect that the crisis has not yet touched bottom, Fidel Velazquez stated, "I do not understand what COPARMEX is trying to say; but if it means is that the crisis has not been fully resolved, that is certainly true, and we all know that this crisis has not been resolved. But efforts are being made to solve it, on the part of all those who have an interest in helping Mexico emerge from it: the government and the working class."

8926

CSO: 3248/796

PRICE INCREASES OVERWHELM CONSUMERS

Mexico City UNOMASUNO in Spanish 4 May 83 p 7

[Article by Victor Manuel Juarez]

[Text] The consumer is so overwhelmed by increases in prices for goods and services that he has lost the ability to respond, and today the only thing he demands is that the product be available, said authorities from the National Consumer Institute (INCO) yesterday. They stressed that pricing violations are prevalent in staple food items such as milk, eggs, meat and cooking oils.

The federal consumer prosecutor, Salvador Pliego Montes, stated that the number of complaints received by that agency due to irregular practices by suppliers of goods and services has increased since January from 90,000 to 120,000. Of that total, 25 percent correspond to the sale of staple foods; 50 percent to problems related to housing, both condominium and rental; 10 percent to higher tuition, and the rest to various commercial transactions. It was reported that tuitions have risen between 30 and 50 percent, while housing rentals have gone up 100 to 200 percent.

Meanwhile, the Secretariat of Commerce and Industrial Development (SECOFIN) reported that so far this year 2,618 establishments have closed their doors, and economic sanctions amounting to 176 million pesos have been imposed. In addition, significant amounts of basic consumer goods such as powdered and evaporated milk, toothpaste and eggs have been requisitioned after having been hoarded for speculative purposes.

SECOFIN stated that it will continue enforcing the law rigorously against all those who commit pricing violations, hoard goods or undertake illicit acts against the economy of the working classes.

At INCO, it was reported that the consuming public is already fed up with continual abuse by some merchants, and that the number of calls has dropped because there is little that can be done. Sales are expected to be low next Mothers Day because people are being more careful about spending. Data compiled by the National Chamber of Commerce in Mexico City show that sales by organized commerce in the Federal District have fallen by 20 percent since January.

The most frequent complaints received by INCO as well as the Office of the Federal Consumer Prosecutor (PFC) are for illicit sales of milk in public, where a liter of pasteurized milk (officially priced at 31.50 pesos) is offered for 36 to 39 pesos. This has led to a notable shortage of the product in the places where it is usually sold. A kilo of eggs (with a controlled price of 62.50) goes for 80 or even 90 pesos; white bread (with an official price of 1 peso) is sold for up to 3 pesos, and production has slumped because bakers prefer to make "pan dulce," whose price is not regulated.

Data furnished by the PFC indicate that last March a total of 124,000 complaints were filed, as opposed to 90,000 in previous months. Of those, 70.7 percent were from the interior of the country; the rest correspond to those filed at the central offices. That means that every day 5,641 complaints are received, of which 25 percent correspond to food items.

With regard to the sale of pasteurized milk, it was reported that 16 fines have been imposed on producers, 20,000 pesos each, for selling the product in public and exceeding the official price by more than 7 pesos. Those excessive prices bring distributors considerable profits.

Similarly, the number of sanctions has increased: in January a total of 43.6 million pesos in fines was levied; in February the total was 52 million pesos, and in March it was 63 million, reflecting a continual increase in the number of infractions of the Federal Consumer Law.

These are some of the prices of popular foodstuffs that have gone up between January and April, according to the INCO sample: cooking oil, from 91 pesos a liter to 95 pesos; black beans, from 26 pesos a kilo to 32 pesos; a 198-gram can of tuna, from 52.80 pesos to 74 pesos; instant coffee, 200 grams, from 89 pesos to 141 pesos; Nido milk, 340 grams, from 99.90 pesos to 141 pesos, just to name a few products.

8926

CSO: 3248/794

LOW COST HOUSING APPROVED FOR CAPITAL

Mexico City EXCELSIOR in Spanish 7 May 83 pp 4, 27

[Text] Of the city's 1.9 million dwellings, 70 percent are occupied by the lower classes, and of those, more than half a million fail to meet minimum inhabitability standards. The Federal District Department (DDF) has therefore begun a construction program to build 1,312 apartments for workers, and to improve 4,686 dwellings by granting a total of 3.282 billion pesos in loans to their residents.

DDF Planning Director Javier Caraveo stated yesterday at a press conference that this is just a small part of the solution to the Federal District's housing problem, because "not even with all the financial resources we have available could we cover the housing deficit, which will reach 900,000 units by 1988."

For this reason, responsibility for solving this problem should be shared, as it is inappropriate and antisocial for the capital government to assume full responsibility; moreover, it does not have enough resources to do so, added Caraveo.

He cautioned that this does not amount to shirking responsibility, but is a matter of sharing it in the name of social and urban development. He indicated that the housing program will be permanent, and the DDF will be obligated to give advice on construction and to provide the necessary material through low-interest, long-term loans, in accordance with the economic situation of applicants.

Caraveo indicated that credit will be extended to neighbors grouped in resident associations or cooperatives, so it will not be necessary for them to have wages or to be employed. The interest rates will be 9 percent for the first 6 months, and will be raised gradually, but are not to exceed 20 percent of the occupant's wages, if any. If there are no wages, the association will guarantee the loan. The credits will be paid off in 5 years, and as the DDF's finances become stronger, the number of beneficiaries will increase each year.

The loans will be for 189,200 pesos for home improvements; 92,100 for urban renewal; 368,400 for foundations; and 1,105,300 pesos for finished homes constructed on small lots owned by the DDF.

Minimum Size Halved

In the latter case, the minimum requirement of 120 square meters for a home will be reduced to 60 square meters, because such is the situation in Mexico City, according to Caraveo.

In addition, the red tape will be cut for processing building permits, which will be free and will not require the signature of the responsible expert. That expert will be a DDF engineer, who will also serve as technical adviser in the do-it-yourself construction projects.

In that regard, Caraveo acknowledged that 55 percent of the building projects undertaken in the Federal District are irregular because the ownership of the property has not been legalized or because no building permit has been obtained.

He said that the first results of this program will be seen in a month and a half, with respect to home improvements, and 3 months with respect to foundations.

Housing Law

The small housing complexes are being built in the districts of Venustiano Carranza, Gustavo A. Madero, Azcapotzalco, Cuauhtemoc, part of Miguel Hidalgo, and Iztacalco; the home improvement program is being carried out in the center of the city, particularly in the lost cities and neighborhoods; and the foundation program is being implemented in the districts of Iztapalapa, Tlahuac, Tlalpan, Contreras and Alvaro Obregon.

The official pointed out that in the downtown section the improvement program will take place whether or not the owner of the property cooperates, although such collaboration will be stimulated by permitting the construction of more profitable units, especially for businesses.

Caraveo added that the DDF does not intend to obtain land through expropriation, but "it will assume the necessary responsibility to have the land required for these housing programs."

It will also cooperate with the Chamber of Deputies in the design not of a new Tenant Law, but of a Housing Law, which will necessarily contain a clause pertaining to rents that should be paid for low-income housing.

8926

CSO: 3248/794

BRIEFS

UNIONS SIGN SOLIDARITY PACT--In commemoration of the martyrs of Chicago, and in memory of electricians' leader Rafael Galvan, ten union organizations yesterday signed the Labor Union Unity and Solidarity Pact (PAUSS) and thus, together with 11 other labor groups from the cities of Leon and Irapuato, began a process whose objective is the unity of the working class. After an eventful day during which about 30 independent workers organizations participated in the main march in the plaza and held a rally at the A. Juarez Amphitheater, the secretaries general of the unions signed the pact in the auditorium of the Sole Trade Union of Nuclear Industry Workers (SUTIN). The agreement signed yesterday states: "In view of the outbreak of numerous battles in response to the effects of the crisis whose burden the workers are forced to bear, as well as the struggles that are emerging in the quest for labor union democracy and independence; and considering the dispersion of the struggling workers' movement, we favor a commitment to the unity of our forces." The event, which was termed historic, was attended by hundreds of workers. [Text] [Mexico City UNOMASUNO in Spanish 2 May 83 p 3] 8926

CSO: 3248/794

TIRADO SPEECH AT BERLIN CONFERENCE ON MARX

Managua BARRICADA in Spanish 25 Apr 83 p 2

[Text] In behalf of the FSLN [Sandinist National Liberation Front] National Directorate, we greet comrade Erich Honecker, secretary general of the Unified Socialist Party of Germany, and the comrade delegates and special guests of this conference marking the 100th Anniversary of Karl Marx' Death.

This conference in Berlin commemorates the birth and death of Karl Marx. It is as important as the convocation of the first assembly of the Workers First International, established on 28 September 1864 by Karl Marx, guide of the international worker class and founder of scientific socialism in collaboration with his intimate friend Friedrich Engels.

Today, Karl Marx deserves the highest tributes which humanity can offer. This conference should be attended by the supreme leaders of the international workers class and of the national liberation movements. Marx' spirit of sacrifice is the factor which unifies men in the task of building socialism and in freeing the human race from the danger of extermination. No effort is sufficient in honoring Marx. Karl Marx died 100 years ago. Friedrich Engels, his loyal, intimate friend, said at Marx' grave, "Just as Darwin discovered the law of the development of organic nature, Marx discovered the law of human historical development..."

"But this is not all. Marx also discovered the specific law which controls the capitalist means of production and the bourgeois society created by it. The discovery of surplus value suddenly cast a light on these problems while all the bourgeois economists and the socialist critics had wandered around in the dark.

"Two such discoveries should be enough for one lifetime. Anyone who is lucky enough to make one such discovery should count himself a happy man."

Comrade delegates and guests:

We have come from faraway Nicaragua to render homage to Karl Marx on the 100th anniversary of his death and on the 165th anniversary of his birth. We will not repeat here what Marx means to the whole world. All of you know it well. You all know the transcendent importance of his work as a revolutionary, as a theoretician of the working class and as a social scientist.

What we wish to stress here is what Marx and his doctrine symbolize and represent for us Sandinists.

In Nicaragua, during the 45-year Somoza dictatorship, the reading of Marx, the works of Lenin and of revolutionaries of the entire world was forbidden. In spite of this difficulty, this retrogressive measure of tyranny, Marx penetrated into Nicaragua. No customs service, no law, no police repression was able to prevent this.

From Marx to Sandino

We, the founders and organizers of the FSLN, prepared our strategy, our tactics and our program on the basis of Marx' teachings. And, as we have said many times, we learned from the author of "Das Kapital" above all, that in order to work out the theory of the Nicaraguan Revolution, we first had to look inward, to take into account our historic roots, our national roots and the rich and valuable progressive experience of the past. This search inevitably led us to Sandino, anti-imperialist hero and tireless defender of our sovereignty. Sandino showed the need for a profound social transformation in behalf of the oppressed and the exploited. Sandino left behind a revolutionary heritage in the military, political, ideological and diplomatic fields. We recovered and recreated all that experience and all those practices. In that way, little by little, the FSLN built its own revolutionary theory, inspired by Marx, carried forward by Lenin and permeated with the teachings of Sandino. Marx traced the general course; Sandino helped us lay out the specific road along which the Nicaraguan Revolution must travel.

Our policy on alliances was also inspired by Marx, later enriched by Lenin, because Marxism requires association of very broad forces with the revolutionary struggle, even though some elements only join the cause temporarily. During the first stage, before it came to power, our revolution, perhaps like no other, built a vast alliance, both domestically and abroad. Inside the country, the majority of classes and social strata joined in the struggle against the dictatorship but the main burden of the fight was carried primarily by the workers, the peasants and the impoverished in the city and in the rural areas.

It is important to recall that priests, monks and nuns and lay Catholics participated most prominently in this fight. The gospel, Sandinism and Marxism joined in the struggle to overthrow Somoza. The essence of that alliance continues today in the struggle to transform the country radically and to confront foreign aggression, and it will be carried on into the future. Such an alliance is part of the original ideas and contributions of the Sandinist Revolution. Abroad, governments under very different banners also joined the revolutionary action in which the FSLN served as the vanguard.

In the end all of this is basically the application of Marxism to the specific conditions in our country.

In this regard, we wish to point out one more thing. When we speak of looking inward and of using the best of our national thinking to build our own revolutionary theory, we are not advocating a narrow nationalism which is shut up within itself and does not look outward.

No. We were also guided by the rich, valuable experience of the world revolutionary movement, left to us by the Great October Socialist Revolution and its genial leader V.I. Lenin as well as by the Vietnamese, Algerian, Cuban and other revolutions.

As to Cuba, we must stress that for Latin American revolutionaries, it is the first country to contribute to the theory and practice of the Marxist doctrine. The Sandinist Popular Revolution treats these contributions as experiences and attempts to raise them one step higher. As revolutionaries and, in accordance with Marx' teachings, we seek new solutions to new problems.

But we must first study reality. Some sects who call themselves Marxist revolutionaries want to solve real problems by just quoting Marx.

For this reason we maintain, in agreement with the social laws discovered by Marx, that national and international experience should be combined and that revolutionary doctrines are useless if they are not tied in with national thinking and national revolutionary practice which to this very day continue to be the pivot around which all true revolutionary policy revolves.

It is only just to remind you that Carlos Fonseca, the main founder and leader of the FSLN, killed in combat in 1976, was the one who laid the foundations for building Sandinist revolutionary theory, which is permeated with Marx and has the Sandino legacy as its point of departure.

Today, under new conditions, we continue to be guided by Marx when we face problems very different from those of the past.

Central America Today.

As you very well know, Central America is a region where one revolution, the Sandinist, has triumphed, and where another, the Salvadoran, is about to triumph. In Guatemala too the revolutionary armed forces are becoming stronger and are also marching toward victory. Meanwhile, the oligarchies, the genocidal armies, supported, financed and directed by the United States, are desperately endeavoring to block the rise of the popular, antiimperialist and socialist movement in the area.

The conflict which has arisen in Central America should be settled by the Central Americans themselves without war. This is our policy. This is our position and the position of all reasonable, parties, groups, currents and governments. But North America interference aggravates the problem and has made Central America the center of world tension.

Nicaragua is attacked almost daily on its northern border by counter-revolutionary Somoza forces sponsored, trained, equipped and economically supported by the CIA.

During the last year and a half, the Reagan government and its allies in the region have on three occasions attempted to launch a large-scale invasion.

The firm unity of our people, the reinforcement of our armed forces, the international denunciations, our continuous diplomatic offensives, world solidarity, including that of the American people, have up to now stayed the hand of the aggressor. But there is latent danger and at present it is assuming greater proportions.

Honduras, our neighbor, which shelters the former Somoza guards and from which they infiltrate to attack us, has become an American military base within the framework of the Reagan and CIA war plans against Nicaragua.

In El Salvador, Washington continues to equip an army which has lost the initiative and is demoralized in an attempt to prevent the breakdown of the prevailing regime and the triumph of the patriots banded together in the FMLN-FDR.

The Reagan government is promoting a war between Honduras and Nicaragua which could lead to a large scale war in Central America, the consequences of which would be catastrophic.

In Central America, Reagan has endangered world peace just as he is doing in the Middle East, Africa, Asia and Europe.

For this reason, our main goal now is to avoid war, to achieve peace, so as to be able to rebuild our country and establish the basis for a new society and make it possible for our sister nations to work out their own destinies. Our people will surely find the way to maintain peace, will defend it and will impose a pacifist policy on Yankee imperialism because this is part of the general struggle for independence and sovereignty of the oppressed countries and peoples.

"We Want Peace" is a slogan which many do not like but our people shout it because they feel that for them peace is vital necessity.

We Want Peace. For this reason we have insisted to the point of exhaustion that we want to negotiate, not fight, with Honduras. We favor a political settlement with El Salvador and we favor better relations with the United States, but on the basis of equality, not as a link in the chain of empire or as a part of the American frontier which Reagan wants.

Comrade delegates, special guests, comrade Erich Honecker:

Nicaragua is going through difficult times. We call on the Socialist System, on the National Liberation movements, on all progressive forces of the world, to support the just cause of the people of Sandino. We are sure that in following the banners of Marx, Lenin and Sandino we will overcome all difficulties.

Marx is still the light of humanity.

A free fatherland or death!

Thank you.

9204

CSO: 3248/744

RENE NUNEZ SPEECH ON ANNIVERSARY OF LENIN

Managua BARRICADA in Spanish 25 Apr 83 p 3

[Speech by Rene Nunez, secretary of the National Directorate, at the ceremony commemorating the 113th anniversary of the birth of Lenin, held on April 22, 1983, at the Sandinist Workers Federation hall]

[Text] Today we are commemorating the 113th anniversary of Lenin, the leader of the October Revolution, founder of the Communist Party of the USSR, founder of the world's first socialist state, revolutionary genius, and the leader who with untiring labor enriched the scientific theory of marxism in its three most important parts: ideology, political economy, and the scientific elements governing the creation of communism. He was a tireless polemicist, always adhering to the truth; he was a fighter for truth, a stubborn fighter against those who would alter Marxism; he fought against bourgeois ideology and all its distortions--against revisionism, Chauvinism, bourgeois nationalisms, and factionalism; he was a tenacious enemy of dogmatism, of rigid concepts and empty formulas, an enemy of willful people; he was the forger of the principal concepts and theories of the revolutionary state, the new revolutionary political economy, and the strategy of confrontation with the people's principal enemy, imperialism.

Today we commemorate this anniversary of Lenin, who is ever alive in the minds of the working masses of the world. We commemorate it in revolutionary Nicaragua, in a Nicaragua that is of tender age and under attack by a world power. This commemoration coincides with the celebration of May Day in our country, a day that will have a special slogan, one which will become the permanent slogan of this revolution: "Everyone a defender of the workers' fatherland." We think this slogan is going to attain lasting validity for the Sandinist revolution.

The Imperialists Hate Our Example

The geopolitical situation of Nicaragua, the example of its revolution, and the dignity which we have shown in the confrontation with our enemies, have helped us bear up under the permanent aggression of the American imperialists. Our people are all aware not only of the warlike intentions of the American Government but also of the concrete expressions of those warlike intentions, which have been growing and becoming permanent policy,

with a view to overthrowing this people's revolution. We have suffered not just from the political hostility of the imperialists in all fields, not just from the economic boycott against our country, not just from the attempts to isolate us from friendly countries, but also from a brazen and sustained military aggression. Therefore, the tasks for today of the revolutionary people of Nicaragua, the FSLN [Sandinist National Liberation Front], the working class, the farmers, and all patriotic Nicaraguans must focus principally on the defense of the workers' fatherland.

The threatening situation facing Nicaragua is no stranger to any revolution; all revolutions have necessarily had to face aggression from their enemies. Nevertheless, all the revolutions have been victorious over those attempts at aggression by their enemies.

It is, however, necessary to note that for the Popular Sandinist Revolution it is imperative that our people be aware of the seriousness of such aggression, of the permanency of such aggression, of the prolonged nature of such aggression and how it affects the progress of the revolution.

An Unnecessary War Is Being Forced Upon Us

The American imperialists are forcing an unnecessary war on us, a war that we do not want, but one which we are willing to wage in order to defend our country; it is a war that affects us from an economic standpoint, from a political and organizational standpoint, and from a human standpoint. It is a war that is costly, unjust, and unnecessary. Our people must be fully aware that the war plans of the imperialists affect the country's economic development; that is, they affect the ability and the opportunities of the revolution to provide for our workers, our people, and the ability of the revolution to solve the social and economic problems of the people of Nicaragua. But they do not affect economic development alone. They affect the planning of a poor country, an underdeveloped country, a devastated country that wants to recover rapidly.

Therefore, when we speak of aggression, we cannot see and think only in terms of military action; we cannot see or think only about the battle front, where our heroic soldiers of the people defend our sovereignty, our borders with their lives; we must also think about the profound economic repercussions that this willful aggression by the United States has on the economy of the country and on the ability of revolution to solve our people's problems.

Therefore, we are obliged to place our country on a war footing; we are obliged, even though we love peace and are peacemakers, to prepare our country to wage a just war to defend their lives and to defend their country. In order to wage war successfully and defeat the American imperialists' willful aggression, now become a reality with the Somozist invasion of our country, it is necessary for our people not only to be aware of the repercussions of this willful aggression, but to accept concrete tasks that will help us solve this problem successfully and in the shortest possible time.

Our Principal Task: Defeat Aggression

Objectively, the principal task of our revolution today is to defeat imperialist aggression being carried out through the Somocists with the complicity of other governments. In order to vanquish them rapidly, it is necessary for the Sandinists, the leading, most powerful force in this country--Nicaragua's unifying force--to develop a permanent and correct policy of national unity.

In view of the aggression against the fatherland, in view of the aggression against the nation, against our sovereignty, our history, and against revolutionary and Sandinist policy, it will take a campaign of persuasion to unite all patriotic Nicaraguans, to organize them, and to put them on a war footing--a campaign that will attract attention, a campaign of persuasion, of patriotic conviction, so as to wage a patriotic war.

In order to wage this campaign of persuasion, it is first necessary to be convinced that our cause, as Sandino said, is just, that it is the cause of the people of our Latin America. To the extent that we are able to mobilize our people in defense of the fatherland, we will serve as an example to Latin America and at the same time carry on Sandino's idea.

However, national unity is not enough to guarantee total success in the struggle against the designs of the imperialists or the international struggle to block the tactics of isolation they are carrying out against us which prevent us from keeping friends, attracting allies, and neutralizing enemies who could be accomplices in the policy of aggression against our country.

The Future of Latin America Depends On Our Struggle

Furthermore, we would say that the future not only of our Nicaragua but also of Central America depends greatly on our attitude and our capability today. Not only do we have a historic responsibility with the Nicaraguan people, with Sandino's people, but also with the Central American people. Naturally, the task is not easy, the task is not simple; it is a complicated task that will require many sacrifices, much patience, a large capacity for work, a good deal of ingenuity, and considerable readiness to die.

The work of the FSLN as a revolutionary party and all of its members is to guarantee the discernment and awareness of our people in view of these tasks, to guarantee that the difficulty of the situation will be explained, that we are in a complex situation and that there will still be difficult times, shortages, and problems because there will always be more demands--because there will always be a revolution for the people of Nicaragua.

In addition, it is necessary for the people who are not at the battle front to develop a permanent feeling of solidarity with the battle front, that if there are shortages in our countries, it will be necessary to set priorities across the board, in supplies, medicines, uniforms, for those at the battle front, in the front lines.

Our political cadres, our union leaders, all our activists, must not forget that in the last instance history depends on the spirit of the masses who are shedding their blood on the battlefields. If there is no nourishment, no solidarity, no unity among our people, and no intensify of revolution towards the combatants, we will not be fulfilling our fundamental duty as Sandinists, which is to guarantee the defense of the fatherland.

It is very meaningful for us to remember these things, these tasks already known to you on this 113th anniversary of Lenin. Because we believe there can be no greater homage paid to Lenin, that tireless fighter for humanity, for peace, than to commit ourselves on the 113th anniversary of his birth to complete the task of defeating imperialism, consolidating revolutionary power, and reconstructing our country.

Every young revolution is vigorous, every young revolution is strong; all the real revolutions have survived the attacks of the enemy; because we are following history and our cause is just, that is why Lenin's cause lives and is victorious.

A Free Fatherland or Death.

9015

CSO: 3248/747

COUNTRY SECTION

PARAGUAY

NAVY BUSY EVACUATING PEOPLE FROM FLOODED AREAS

PY312242 Asuncion ABC COLOR in Spanish 31 May 83 p 9

[Excerpts] The navy has established a center for special operations which will be in charge of evacuating the people affected by the floods in the south of the country. According to information obtained from the navy yesterday, the number of persons evacuated from flooded areas will amount to 7,000 with the arrival of the "Parana" vessel scheduled for tomorrow.

Yesterday morning 950 persons evacuated from Pilar and neighboring areas disembarked from the "Rio Blanco" vessel at the docking facilities of the navy military supplies depot and shipyards. The "Pirabebe" and "Curupayty" were also awaiting to disembark their passengers. As a consequence, 1,200 evacuated persons should have landed at the military base yesterday.

The evacuated persons were brought from Pilar, Alberdi, Humaita, Villa Franca, Villa Oliva and other areas which have been flooded. The navy public relations office disclosed that with the groups which arrived yesterday the number of persons evacuated with military means amounts to approximately 6,000.

Captain Osvaldo Jose Corvalan, head of the public relations department, said that they were expecting the arrival this morning of the "Parana" ship and "Tuyuti" barge which are bringing another approximately 1,000 persons. The vessels' time of arrival has not been determined since it is stopping in every zone where the people need help.

The navy has created the center for special operations especially to take care of coordinating the evacuation of persons affected by the floods and placing them at the various camps established for the purpose of lodging them. This center operates 24 hours a day to help disembark those persons brought from the flooded areas.

In addition to the navy, private vessels are also helping with the evacuation by landing people at various points on the riverside and in some cases at the navy shipyards at the end of Carlos A. Lopez Avenue.

There is no information on the number of evacuated persons brought to the capital through private means, but the organizations involved in this task have pointed out that it is a sizeable figure.

CSO: 3348/417

REPORTAGE ON SHINING PATH ACTIVITIES

Civil Guard Kills Terrorists

Lima LA PRENSA in Spanish 26 Mar 83 p A1

[Text] Ayacucho, 25 March--A combined forces patrol killed 18 terrorists in a series of clashes which occurred in Huancasancos, Sacsamarca, Lucanamarca and other sites within the past 48 hours.

At the same time, they recovered weapons, explosives, military weapons and various tools used by the terrorists in committing their criminal acts.

The combined forces suffered no casualties during the clashes, but it was learned that the terrorists killed three peasants whom they had previously subjected to a "people's trial." The dead were Santos Matachoque, Dionicio Huaccaqui Diaz and Antonio Janampa Quispe.

These facts were learned from official statements issued by the headquarters of the Political-Military Command in this zone, headed by Gen Clemente Noel.

In response to the attack by the subversive criminals on the residents of Palca, in Saccasamarca, three of the troublemakers, whose identity has not as yet been established, were killed.

The city and its residents began celebrating Holy Week today in a general atmosphere of devotion. At night, thousands of the faithful accompanied the procession of the Virgin of Sorrows and Lord of Agony.

The procession followed a route from the Church of the Magdalene through the main streets of this neighborhood and back to the sanctuary.

Ayacucho is known for its religious ceremonies during Holy Week.

Personalist Leadership Attracts Followers

Lima LA PRENSA in Spanish 27 Mar 83 p A12

[Article by Luis Ricardo Gandolfo: "The Path Without Gonzalo"]

[Text] In the course of this week, the rumors which began to circulate some days ago about the possibility that the terrorist activities of the Shining

Path are neither led nor planned by Abimael Guzman, known as "Comrade Gonzalo," have intensified. It has been confirmed that he is suffering from a serious illness incapacitating him for the harsh campaigns of which the militants in his Machiavellian subversive organization must be capable.

The state of his health is said to be so poor that, if indeed he is still alive, he is most probably in Lima or even abroad. It is almost impossible that he is still in Ayacucho, although it is known that costly medicines have been brought into this department for the treatment of the effects of psoriasis, his strange malady. The climate here is not the best for halting the mortal advance of this disease affecting the skin. Logically, moreover, the localities in the interior of the country could not provide him with the specialized medical treatment he urgently needs.

These facts leave the Shining Path in a very peculiar situation. The physical absence of its apparently unchallenged leader becomes an extremely dangerous situation for a seditious group which is based essentially on an extremist personality cult, as Cesar Hildebrant showed on the television screen some weeks ago, in a harsh report on the young people being held on El Fronton Island, charged with crimes of terrorism.

Since then, there has not been the slightest hint about the real nature of the Shining Path and its presumed members. It is not a political party. It is rather a sect characterized by frantic fanaticism, personified by an individual, "Comrade Gonzalo," who is compared to none less than Marx, Lenin and Mao, the three great theoreticians of communism.

The followers of this terrorist organization, for their part, do not conduct themselves like members of an ideological group. On the contrary, they behave like crazy sheep in a bloody herd. Their faces mirror resentment and bitterness, expressions which can be understood because they belong to certain adolescents coming from the most depressed and neglected regions in the country. Their actions, on the other hand, reveal a widespread contempt for life, which cannot be understood in any fashion and which is evidenced in the endless list of those killed or wounded.

This is the work carried out by the disciples of Abimael Guzman. Without him in the center of the terrorist scene, the reality must be different. With the loss of their guide, they may perhaps lose their path. In losing that, they lose everything. "Comrade Gonzalo's" lieutenants must know this very well. Julio Cesar Mezzich, his possible successor, who abandoned the left wing in Miraflores in 1969 to marry a commune member and join in the struggle in search of the absurd seizure of power the subversive forces plan to carry out, must know this.

Without Abimael Guzman, terrorism can be more easily controlled. The terrorists themselves, as time passes, will probably resist certain directives if they do not come from their famous leader. Or perhaps greater effort will be required from the activists, in order to fill the void by dint of greater violence. In such a case, they could also be controlled without difficulty, because they would have revealed themselves to the forces of law and order which now control all their presumed high-level goals.

Peasants Kill Senderist 'Sympathizers'

Lima DIARIO LA REPUBLICA in Spanish 30 Mar 83 p 4

[Article by Manuel Tovar Reymundo: "230 Confess to Killing Three Commune Members"]

[Excerpts] Huancayo, 29 March--Two hundred and thirty peasants from four communities in the province of Tayacaja, Huancavelica, took responsibility for the murder of three residents beaten to death with sticks last 12 March during a people's trial in which they were charged with cattle theft and supplying the Senderists. This new folk version of Fuenteovejuna, or collective confession of guilt, was set forth by the commune members by means of an official communication sent to the lieutenant colonel in command of the 43rd Army Infantry Battalion, in the Ayacucho National Security subzone.

The victims were Cirilo Pacheco Taipe, his wife Hermenegilda Chocce, and their son, Teodosio Pacheco Chocce. They were seized in the Sucuto compound, where they lived, and then taken to Manzanalloc, where they were tried, sentenced to death and beaten and stoned to death.

According to the document dispatched by the commune members, the Taipe Chocce family engaged in stealing cattle which they then fattened and distributed to Shining Path members. The remains of the victims were buried in the public cemetery in La Victoria.

The police report of these events suggested that the forces of law and order knew what was going to happen and took no precautionary steps in the case, with the statement that "these events are closely linked with entry 014 for February 1983 and RG 48-10381."

This same confidential document indicated that the patrol which received the communication from the commune members did nothing but tell them not to kill anyone else and that the forces of law and order would in the future be those appointed by the authorities in those places where none such exist.

The first of the signatures are those of the president of the community of Manzanalloc, Leandro Taype; the lieutenant governor, Hermenegildo Puncco; the municipal agent; and the lieutenant governor of Pampaspata, Cayetano Acevedo. They are followed by the illegible names of 57 peasants and 168 fingerprints.

The assassination of the Pacheco Chocce family was reported to the provincial prosecutor in this city several days ago by the only survivor of the massacre, the daughter of the husband and wife, Fulgencia Pacheco Chocce, who was an eyewitness to the events.

According to her testimony, the members of her family were killed as the result of self-interested charges made by political bosses Juan and Antonio Montero Alanya, whom she accused of inciting the massacre in order to be able to seize her parents' land, of which they had sought to gain control.

It should be noted that the affair was not reported to the court system by the police as soon as they were aware of these events. Instead, Fulgencia Pacheco had to go to Huancayo to report it herself.

Furthermore, the body of a peasant, Donato Santos Lapa (45), was found in the province of Angaraes, also in Huancavelica. It appeared he had been killed by Senderists who believed him to be a "squealer."

Terrorists, Police Patrol Clash

Lima DIARIO LA REPUBLICA in Spanish 30 Mar 83 p 8

[Text] Ayacucho, 29 March--While celebrations in connection with Holy Week began peacefully in this city, violence claimed a further seven victims in the provinces of Victor Fajardo and Cangallo. Six Senderists died during two clashes with the forces of law and order in the Iquihua and Huallas areas in the district of Canarias.

Official Statement No 15 issued by the Ayacucho Political-Military Command, concerning these events, did not specify if the police suffered any casualties, nor did it give further details on the number of terrorists and police agents involved in the clashes.

It did however specify that shotguns, dynamite, homemade bombs, slow fuses, fulminating powder, pamphlets, propaganda and clothing items were seized.

The seventh victim was shot twice in the head, apparently by subversive elements, in the hamlet of Chuquihuari, in the district of Vischongo, province of Cangallo.

The slain man was identified as Emilio Chuchon Arango (20), whose wife reported the homicide to the police station in Vischongo.

While blood continues to flow in the interior of the department, Holy Week activities proceeded normally in this capital city, with the traditional processions and a televised address by the archbishop of Ayacucho, Msgr Francisco Richter Prada.

The Procession of the Lord of the Sanctuary of the Amargura Church left that institution and made a tour, including the municipal parade ground, at 7 pm. More processions are scheduled for the morning, but the absence of the large numbers of tourists who attend every year is clearly evident.

In his televised message, Monsignor Richter Prada said that the cross will always be the symbol of peace among men, and he invited the people to participate in the activities celebrating Holy Week.

On the other hand, the reports from Andahuaylas to the effect that the second most important Senderist leader, Julio Cesar Mezzich, had been captured, were denied by the police here.

Arrest in Uchuraccai Murders

Lima EL COMERCIO in Spanish 31 Mar 83 p A1

[Text] The first person arrested by court order in the tragic Uchuraccai affair was one Celestino Gente, who has been turned over to the competent authorities in Ayacucho, the attorney general, Gonzalo Ortiz de Zavallos, announced yesterday.

He explained that Gente is a member of that community and was present at the time eight journalists were killed toward the end of January.

He further explained that Gente was arrested while he was being examined in the Huamanga hospital, where he had been taken by individuals unknown to the authorities because of a gunshot wound in another connection.

Ortiz de Zavallos said that when the Ayacucho prosecutor learned of this fact, he requested a court order for his arrest.

He added that the attorney general's office is continuing to accumulate evidence to clarify this tragic event, and he reiterated his appeal for the arrest of the others charged, who have been identified by name.

Terrorists Kill 45 Peasants

Lima EL COMERCIO in Spanish 5 Apr 83 p A1

[Text] Ayacucho, 4 April--Forty-five peasants from the community of Lucanamarca, among them a number of women and children, became the victims yesterday of terrorists in reprisal for the fact that the people there had asked for the protection of the forces of law and order in order to be free of abuse by the Senderists.

The emergency zone command issued a statement to the effect that the community, which is in the province of Victor Fajardo, 200 kilometers to the south of Ayacucho, was attacked by about 200 subversives.

Thirty of the victims were shot or stoned to death in the town square, while the other 15 were pursued into the hills and then killed. The terrorists, once this bloody deed had been committed, plundered the stores and public and commercial premises, and then withdrew, hurling threats at the terrified citizens.

Army and police force patrols immediately set out from this city to arrest the authors of this massive crime.

The settlers in this community, tired of the abuses and outrages to which they were subjected by the Senderists, who had subjugated them, decided to fight them by organizing and asking the forces of law and order to intervene, about 3 weeks ago.

Authorities from Lucanamarca went to Ayacucho toward the middle of last month with a petition signed by about 100 citizens, describing the actions of the terrorists in their community and asking that a police station be established there.

The document said that since November of last year, they had been subjected to captivity by the Senderists, who ousted the authorities, set quotas for them and attempted to inculcate their ideology in them.

They said that the subversives had taken over their cattle and crops, preventing them from leaving the area.

They said that both in January and in February they had tried to oppose those holding them captive, but the only result was the murder of a number of community members.

Finally, last March, they organized and succeeded in ousting the seditious group from their territory, however, threats of reprisals from the subversives hung over them, for which reason they asked for police protection.

Mayor Returns

The mayor of Ayacucho, Jorge Jauregui Mejia, who was seriously wounded in a terrorist attack last December, has returned to this city after a long convalescence in Lima.

The mayor said that he will only remain in the capital of Ayacucho a few days, because he must continue his treatment in Lima. However, he added that he will soon return to the city "which I love so much" for good, to resume his duties as mayor.

"I am still the mayor of Huamanga and as soon as the doctors decide that I am ready for work, I will return to serve the people of Ayacucho," Jauregui Mejia said.



Peasant Casualties Reported

Lima EL COMERCIO in Spanish 23 Apr 83 p A1

[Excerpt] Ayacucho, 22 April--The Antisubversive Operations Command, headquartered in this city, has reported that the number of peasants murdered by the Shining Path, better known in this region as the "Dark Path," or the "terrucos," totals 29. In addition to the commune members in Ocros who were their victims, five others in the hamlet of Carhuanca and six more in the hamlet of Chilicruz must be added.

According to the first reports, the bodies bore wounds caused by bullets, machetes and agricultural tools, as did the bodies of those assassinated on 3 April in Lucanamarca and in Ocros the day before yesterday.

The three hamlets, under the jurisdiction of the province of Cangallo, are located about 150 kilometers from Ayacucho at a height of 3,300 meters above sea level, and have an average population of 1,000, although Ocros is the best-developed of the three.

The Antisubversive Operations Command, which issued a communique in this connection last night, said that the terrorists suffered 28 casualties in clashes with the forces under this command.

During this month, the "dark ones" or "terrucos" have stepped up their criminal activities against the peasants in the provinces of Cangallo and Victor Fajardo, because of the refusal of these settlements to join in the vandalism and plundering of this Maoist sect.

The reaction of these settlements, according to representatives of the communities in the southern provinces of Ayacucho who have come to this city to negotiate foodstuffs and tools for their population, is due to the theft and mistreatment to which the peasants are subjected by the extremists.

Daily Scores Terrorist Philosophy

Lima EL COMERCIO in Spanish 23 Apr 83 p A2

[Editorial: "The Juguisa Massacre"]

[Text] It is beyond reason, and the national conscience rejects it, but it is a dramatic truth: the terrorist group known as Shining Path has just committed another massacre, the second in a little less than a month. Its fanatic myrmidons have murdered, in cold blood, eight peaceful peasants in the Juguisa area, between Ocros and Matara, in Ayacucho.

The motive, as in the earlier case in Lucanamarca, was the fact that the victims, tired of tolerating the economic, moral and psychological oppression of the hangmen who profess the Marxist-Maoist ideology, had asked for police protection to guarantee a peaceful life safe from extortion.

This crime, added to the long list of offenses by the followers of "Comrade Gonzalo," shows what a farce the popular cause of terrorism is. Or rather, it shows its true dimensions, as the most oppressive, homicidal and insane force the Peruvian people have ever known. For if the atrocities committed by the Senderists are analyzed, one finds that the principal victims have always been the most neglected, the most humble citizens. Even when the abstract motive is to attack the state, the blowing up of bridges, high-tension towers, railroads and the public buildings basically affects the least privileged sector of the population. And the fact is that this is the Machiavellian means and end of the "Pol Potization" they are attempting to impose in Peru.

However, there are those who, taking advantage of freedom of the press and expression or parliamentary immunity, are making an evil-intentioned effort to distort reality, to twist the facts, seeking to justify what is unreasonable, and confusing the public by charging nonexistent bodies with responsibility for the massacres.

In other cases, these cunning accomplices in the massacres fail to reveal what does not suit them, rending their garments only when something affects their interests or serves their purposes for their political ends. It is also they who urge dialogue with the terrorists, despite being faced with arguments such as the events in Juguisa and Lucanamarca provide. And these are the very same people who criticize the presence of the army and police forces in the emergency zone, instead of considering those who, precisely for lack of protection, become the victims of the hammer and sickle.

The genocidal deeds of the Shining Path are a horrible demonstration of all that terrorism is still capable of doing, despite efforts at control. Therefore it is necessary now to carry the campaign to eradicate it forward more forcefully than ever before. This cancer must be cut away without delay.

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CSO: 3348/354

ZAMBRANO NOTES RESULTS OF CONTADORA SESSION

PA150340 Hamburg DPA in Spanish 0053 GMT 14 May 83

[Text] Caracas, 12 May (DPA)--Venezuelan Foreign Minister Jose Alberto Zambrano Velasco voiced support today for the prompt dispatch of observers to the Costa Rican-Nicaraguan border.

Immediately in disembarking from the private plane that brought him from Contadora Island in Panama, where he met with his colleagues from Mexico, Colombia and Panama to discuss means of securing peace on the Central American isthmus, Zambrano stressed the significance of the motion that was agreed upon after 2 days of urgent discussions.

"The observers have a very specific mission: to learn the facts, to investigate them and to evaluate the general situation on the basis of their observations at the border," he pointed out.

"Once their mission is fulfilled, they must submit a complete report on their activities," he added.

He also mentioned other points that were discussed by the Contadora Group, one of which refers to possible OAS or UN intervention.

"There is a proposal before the UN Security Council and another before the OAS permanent council. Both were analyzed in light of the principles that have guided our political and peace efforts," Zambrano Velasco noted.

He also noted that the participants carefully studied procedures to be followed at the Central American foreign ministers' meeting that is scheduled for next week.

When a reporter questioned whether the Contadora Group might lose its ability to mediate by sending a group of observers to the Costa Rican-Nicaraguan border, the foreign minister said:

"The Contadora Group has shown clear evidence of balance and judicious consideration by taking the fundamental interests of each and every one of the area's nations into account."

"Certainly," he added, "the group's negotiating ability is limited. We all know this. Therefore, we take special care to maintain this ability."

He immediately pointed to "the international community's support" for the group's efforts in its search for peace. He also stressed the "balance" that the four members of the group wish to preserve so that it can function properly.

"The day we lose that balance in favor of Nicaragua, Costa Rica, Guatemala or El Salvador--in favor of any of the countries--we will then and there be burying the action of the Contadora Group," he added.

Finally, in reply to a question raised on several occasions and which he has answered in the same terms, Zambrano Velasco said that he wanted to state "once and for all" that the Contadora effort "is subregional, focusing basically on the action that the countries of the subregion may undertake to find, with our assistance, solutions to their own problems."

"We do not want to internationalize or generalize the conflict; we do not want the Contadora action to be diluted in places and by actions that are foreign to the subregion," he emphasized.

In this way he tried to make it clear that the group did not intend to seek the personal intervention of UN Secretary General Javier Perez de Cuellar.

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